

O-166-18

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK REGISTRATION NO. 3119606
OWNED BY ZHONGCE RUBBER GROUP COMPANY LIMITED

WEST LAKE

IN CLASS 12

AND

THE APPLCIATION FOR A DECLARATION OF INVALIDITY THERETO
UNDER NUMBER 501215

BY

WESTLAKE CHEMICAL CORPORATION

Background

1. Zhongce Rubber Group Company Limited (“the registered proprietor”) owns the trade mark shown below (number 3119606). It was applied for on 27 July 2015 and was registered on 29 January 2016:

WEST LAKE

Class 12: *Tires for vehicle wheels; Inner tubes for pneumatic tires; Casings for pneumatic tires; Pneumatic tires; Automobile tires; Inner tubes for bicycles, cycles; Tires for bicycles.*

2. On 25 May 2016, Westlake Chemical Corporation (“the applicant”) applied to have the registration declared invalid under sections 47(2)/5(2)(a), 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”).

3. Under sections 5(2)(a), 5(2)(b) and 5(3), the opponent relies upon the following earlier trade mark registration:

(i) EUTM 12717617

WESTLAKE

Class 1: *Commodity and specialty chemicals for industrial, commercial and consumer applications; commodity and specialty chemicals for industrial, commercial and consumer applications, namely, unprocessed artificial resins, polymers, unprocessed plastics, all for general industrial use.*

Class 17: *Plastic in extruded form for general industrial use.*

Filing date: 21 March 2014; registration procedure completed 14 August 2014.

4. The applicant claims the similarities between the marks and the goods will combine to create a likelihood of confusion, under sections 5(2)(a) and (b).

5. Under section 5(3) of the Act, the applicant claims that the mark has a reputation in the UK and that use of the contested mark would take unfair advantage of the distinctive character, and/or cause detriment to the repute and distinctive character of its mark. Under section 5(4)(a) of the Act, the applicant claims that use of the applicant's mark is liable to be prevented under the law of passing off, owing to its goodwill attached to the sign WESTLAKE, which it claims to have used throughout the UK since about 1995 in respect of *the manufacture and sale of unprocessed plastics, artificial resins, polymers, monomers, chemical feedstocks, and speciality chemicals for general use.*

6. The registered proprietor filed a defence and counterstatement, denying all the grounds.

7. Both parties are professionally represented. Neither party requested a hearing. In making this decision, I take into account the parties' pleadings, evidence and written submissions.

Applicant's evidence

8. Linda K. Russell has given evidence for the applicant. Ms Russell is the applicant's Senior Intellectual Property Counsel. She has provided two declarations. By way of a witness statement of 30 December 2016, Ms Russell adduces the first declaration, dated 18 November 2015, and exhibits, which were filed in connection with earlier (unnamed) proceedings in order to prove the applicant's use of and its reputation in its WESTLAKE mark.

9. According to Ms Russell, the applicant sells unprocessed plastics, artificial resins, polymers, monomers, chemical feedstocks and specialty chemicals for general use under its mark WESTLAKE. She states that the applicant has had European customers since 1995 and that it has 39 customers in Germany, 27 in France, 12 in Belgium, 28 in the UK, 12 in the Netherlands, 10 in Italy, 14 in Switzerland, 5 in

Finland, 6 in Portugal, 4 in Austria, 3 in Denmark, 4 in Sweden, and customers in Greece and Turkey. 76 sales were made to customers in 2014. A list of shipments made to European customers, broken down by country, is shown in Exhibit B. Of these, a good proportion were to the UK, although it is not possible to tell what goods were shipped. European sales figures are given as £2.6 million in 2012, £2.6 million in 2013 and £3.3 million in 2014, but there are no figures specific to the UK. Ms Russell states that between 2007 and the end of 2015, the applicant sold over £40 million plastic products in Europe in more than 1400 shipments, giving the applicant more than \$US42 million revenue. Exhibit C groups the sales into three product-types: PVC, PE and Specialties. An example of packaging is shown in Exhibit D, in relation to 25kg of polyethylene. The packaging (a sack) shows the mark.

10. Ms Russell states that the applicant displays its marks at industry trade shows, such as the annual Adhesive & Sealant Convention. The trade shows appear to be held in the US, although Ms Russell states that they are widely attended by European companies. A list of conference attendees is provided for the convention held in October 2015 (after the relevant date), in Pittsburgh, USA. It is not possible to tell from the company names which of them were from Europe; still less from the UK.

11. I note from Exhibit H that the applicant is a member of the British Plastics Federation, the European Council of Vinyl Manufacturers, the European Petrochemical Association and Humber Chemical Focus, amongst other European trade associations.

12. Various advertising materials and brochures are shown in Exhibit I, J, K, L and M (Ms Russell states that the materials in Exhibit M were provided to European Distributors in May 2014).

13. The applicant also advertises its goods under the mark via its website, an undated print from which is shown in Exhibit N. I note that there are some details given under the heading 'Operating sites': USA (13), China (1), Canada (1), Germany (5) and UK (1).

14. Website analysis traffic given in Exhibit P shows that in 2012, 2013 and 2014 there were, on average, about 1700 visitors to the applicant's website per annum which were attributed to "en-gb".

15. The remainder of this part of the applicant's evidence is US-centric and is not relevant to the issues to be decided in these proceedings.

16. Ms Russell's second declaration is dated 6 December 2016. Exhibit B to this statement is a partial list of European distributors: there are three companies listed, one in the UK, one in Malta and one in Belgium. Ms Russell states that these companies sell its Westlake products into the UK.

17. Ms Russell states that the applicant makes styrene which is used in the production of rubber products and is a common component of synthetic rubber products. She states that styrene is well-known to be a component of automotive tyres. According to Wikipedia (Exhibit D), it is estimated that approximately half of all automotive tyres made in the world contain styrene and that it competes with natural rubber. Ms Russell states that many manufacturers of automotive tyres and similar rubber products also produce styrene. She cites Goodyear International Corporation (Exhibit E) and Firestone Polymers (Exhibit F) as examples. I note that the trade marks for these two companies' styrene are PLIOFLEX and DURADENE, but there is no information as to whether the tyres themselves are branded with these marks. According to Exhibit G, Michelin commissioned the construction of a synthetic rubber plant in Indonesia to produce 120,000 tonnes of synthetic rubber per year, using styrene, to use in the manufacture of tyres. It does not say what the trade mark was for this product.

18. Ms Russell states that the applicant manufactures a specialty polymer sold under the mark EPOLENE which is often used in rubber compounding. Exhibit I says that, in relation to rubber, EPOLENE is a processing aid for SBR (which is styrene-butadiene rubber). Exhibit J, the provenance of which is unidentified but which looks like an extract from an academic document, says that EPOLENE is a chemically modified polyethylene which has been used to increase the adhesion characteristics of EPDM rubber to metal in applications such as "tire valve stems".

Unlike the statements about Goodyear, Firestone and Michelin, there is no evidence that the applicant also makes tyres.

19. Ms Russell states that, since 2011, that applicant has shipped over £4,700,000 of EPOLENE into the UK. Exhibit K includes invoices which show that the EPOLENE product were sold to the UK distributor identified in Exhibit B, Safic-Alcan, in Warrington. The invoices are dated after the relevant date, but a sales sheet shows sales in the UK between 2011 and 2016.

20. The applicant has also filed evidence from Dawn Logan Keeffe, who is an associate trade mark attorney at the applicant's professional representatives. Her witness statement is dated 8 November 2016. Ms Logan Keeffe states that she did a search on Google on 8 November 2016 for the terms 'rubber + plastic industry' with a UK geographical restriction. She states that the search disclosed 158,000 hits; the first 7 pages of the search results are shown in Exhibit A (but which are barely legible). Exhibit B comprises prints from a number of websites located in the search, including websites for four UK companies providing "what appears to be both plastic and rubber based goods to the UK marketplace." They are single pages, printed after the relevant date. One of them says that it supplies the metal and foundry industries, which is not relevant to these proceedings. Another ("bp&r") is illegible. None of them refer to tyres. In its submissions, the applicant claims that this evidence shows that it is commonplace for companies to manufacture raw or semi-worked plastic/rubber material and to use the material to manufacture end products. More 'evidence' is referred to in the submissions, but as it has not been filed as evidence I take no account of it.

21. The registered proprietor's evidence comes from Sakura Berry, who is employed by the registered proprietor as a trade mark attorney. Ms Berry's evidence is a copy of an assignment document, the point of which is to show that, via an assignment of another trade mark registration from a third party to the registered proprietor, it now owns a trade mark which is earlier in date to the one relied upon by the cancellation applicant. This is irrelevant to these proceedings¹.

¹ Tribunal Practice Notice 4/2009 refers.

Decision

Sections 5(2)(a) and (b) of the Act

22. Sections 5(2)(a) and (b) of the Act state:

“(2) A trade mark shall not be registered if because –

(a) it is identical with an earlier trade mark and is to be registered for goods or services to those for which the earlier trade mark is protected, or

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.”

23. The following principles are gleaned from the decisions of the EU courts in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P.

The principles

(a) The likelihood of confusion must be appreciated globally, taking account of all relevant factors;

(b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well

informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

(e) nevertheless, the overall impression conveyed to the public by a composite trade mark may be dominated by one or more of its components;

(f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

(g) a lesser degree of similarity between the goods or services may be offset by a great degree of similarity between the marks, and vice versa;

(h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;

(i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;

(j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;

(k) if the association between the marks creates a risk that the public might believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

Comparison of goods and services

24. In comparing the respective specifications, all relevant factors should be considered, as per *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.* where the CJEU stated at paragraph 23 of its judgment:

“In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary.”

25. In *Kurt Hesse v OHIM*, Case C-50/15 P, the CJEU stated that complementarity is an autonomous criteria capable of being the sole basis for the existence of similarity between goods. In *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-325/06, the General Court stated that “complementary” means:

“...there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking”.

26. Additionally, the criteria identified in *British Sugar Plc v James Robertson & Sons Limited (“Treat”)* [1996] R.P.C. 281 for assessing similarity between goods and

services also include an assessment of the channels of trade of the respective goods or services.

27. In *YouView TV Ltd v Total Ltd* [2012] EWHC 3158 (Ch) at [12] Floyd J said:

"... Trade mark registrations should not be allowed such a liberal interpretation that their limits become fuzzy and imprecise: see the observations of the CJEU in Case C-307/10 *The Chartered Institute of Patent Attorneys (Trademarks) (IP TRANSLATOR)* [2012] ETMR 42 at [47]-[49]. Nevertheless the principle should not be taken too far. Treat was decided the way it was because the ordinary and natural, or core, meaning of 'dessert sauce' did not include jam, or because the ordinary and natural description of jam was not 'a dessert sauce'. Each involved a straining of the relevant language, which is incorrect. Where words or phrases in their ordinary and natural meaning are apt to cover the category of goods in question, there is equally no justification for straining the language unnaturally so as to produce a narrow meaning which does not cover the goods in question."

28. The goods to be compared are shown in the table below.

Earlier mark	Later mark
<p>Class 1: <i>Commodity and specialty chemicals for industrial, commercial and consumer applications; commodity and specialty chemicals for industrial, commercial and consumer applications, namely, unprocessed artificial resins, polymers, unprocessed plastics, all for general industrial use.</i></p> <p>Class 17: <i>Plastic in extruded form for general industrial use.</i></p>	<p>Class 12: <i>Tires for vehicle wheels; Inner tubes for pneumatic tires ; Casings for pneumatic tires; Pneumatic tires; Automobile tires; Inner tubes for bicycles, cycles; Tires for bicycles.</i></p>

29. The registered proprietor's goods are finished products: tyres, inner tubes for tyres and casings for tyres. The applicant's goods in Class 1 are all chemicals, plastics, resins and polymers. They do not share the same nature. The purpose of tyres is to enable the smooth running of vehicles. Chemicals, plastics and resins do not have similar purposes to tyres and are not in competition.

30. The applicant submits that the same branding is used for the raw materials and the finished products. That is not what its evidence shows; in fact, it shows the opposite. The tyre companies Goodyear and Firestone use other trade marks for their styrene compounds (PLIOFLEX and DURADENE), and there is no evidence that these trade marks are used in relation to tyres. The applicant sells a compound called EPOLENE, which can be used in tyres as a processing aid (amongst many other applications), but there is no evidence that it makes EPOLENE tyres.

31. The registered proprietor submits:

“...the Applicant has misdirected themselves to the application of the test set out in [sic] Canon and Treat decisions referred to above. The argument on which the Applicant relies is that they manufacture and sell to other manufacturers products which are used in the processing of raw materials and which in turn are used to produce a range of products across various industries. The Applicant's argument is that, despite the fact that they have no connection with the end product, their rights extend to the goods which are then manufactured using the Applicant's “ingredient”.”

32. Tyres and inner tubes are sold through tyre fitting outlets, automobile retailers and bicycle retailers. The average consumer for these is the end user or the middleman (the retailer/fitter). Neither end users nor retailers/fitters of tyres and inner tubes are the average consumer for the applicant's goods. The average consumer for the applicant's goods are manufacturers of tyres. In the case of the applicant's EPOLENE, there is a further step in the manufacturing chain because EPOLENE is added to styrene which is a component of tyres. The average consumer for styrene and processing aids for styrene is entirely different to the average consumer for the registered proprietor's goods. This means that there can

be no similarity on the “ingredient”/complementarity basis², a finding which becomes more robust when it is considered that manufacturers of tyres use different trade marks for styrene.

33. However, chemicals for insertion into vehicle tyres to protect them and chemical preparations for repairing tyres are proper to class 1. As these goods had not been specifically addressed by either party in the pleadings, evidence or submissions, I gave the parties an opportunity to provide written submissions concerning their relevance or otherwise to the goods comparison. Both parties provided me with their submissions, which I have taken into account.

34. Chemicals for insertion into vehicle tyres to protect them and chemical preparations for repairing tyres are proper to class 1 and are a subset of the applicant’s *chemicals for industrial, commercial and consumer applications*. The goods are complementary; without tyres, there would be no need for chemical preparations to protect and repair tyres. I find, therefore, that the parties’ goods are similar to a low degree. There would not appear to be a higher degree of similarity in relation to the applicant’s class 17 goods and the goods of the later mark.

The average consumer and the purchasing process


35. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer*, Case C-342/97. Tyres, inner tubes and casings are consumables bought by the general public. They are not everyday purchases, but neither are they infrequent, particularly in the case of bicycles. Consumers with high performance cars are likely to pay closer inspection to the details of the tyre they are buying than is the case for the average motorist. Overall, an average degree of attention will be paid during the purchasing process. Chemicals for insertion into vehicle tyres to protect them and chemical preparations for repairing tyres will be

² *Commercy AG v OHIM*, General Court, Case T-316/07.

used by tyre-fitting operatives, but also by cyclists repairing bicycle tyres themselves. I find that an average degree of attention will be paid to the purchase and that the purchase will be primarily visual, via bricks and mortar retail and online equivalents. However, there is also an aural aspect to the purchase of tyres as tyre-fitters will offer a range of tyres orally when a customer enters the premises and requests a replacement tyre.

Comparison of marks

36. The marks to be compared are:

Earlier mark	Later mark
WESTLAKE	

37. The marks are highly similar. They both consist of the words WEST and LAKE. However, they are not identical because there is a degree of presentation – the top-lining- which is absent from the earlier mark and is not negligible in the overall impression of the later mark. That said, the presentation of the later mark is unremarkable and the slight gap between the two words does little or nothing to offset the high degree of visual similarity. They are aurally and conceptually identical, signifying a body of inland water in or to ‘the West’.

Distinctive character of the earlier mark

38. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*³ the CJEU stated that:

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the

³ Case C-342/97

goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51).”

39. Although the words ‘west lake’ do not describe the goods or any characteristic of the goods, the mark is averagely distinctive, inherently, as it evokes an ordinary concept of a lake in or to the west. The applicant’s evidence is not well-directed towards the UK. It is more focussed upon other European member states, presumably because it has been adopted from other proceedings where EU-wide use was of more relevance.

40. The evidence shows that, in 2015, the applicant had 28 UK customers. However, there are no details about what goods were shipped to the UK, other than the general categories of PVC, PE and Specialties. The applicant’s website states that it had one operating site in the UK, but there are no details about it. European-wide sales figures are provided, but no indication as to the percentage attributable to UK sales. The trade conventions were held in the US and there are no details about whether there were UK delegates. I am unable to find, on the evidence provided, that the mark’s distinctiveness in the UK had been enhanced through use by the relevant date.

Likelihood of confusion

41. Deciding whether there is a likelihood of confusion is not scientific; it is a matter of considering all the factors, weighing them and looking at their combined effect, in accordance with the authorities set out earlier in this decision. One of those principles states that a lesser degree of similarity between goods and services may be offset by a greater degree of similarity between the trade marks, and vice versa (*Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.*). I have found that the goods are similar to a low degree but that the marks are highly similar: there is hardly anything between them, although the slight stylisation means that they are not identical. For this reason the ground under section 5(2)(a) fails. Nevertheless, I find that there is a likelihood of confusion under section 5(2)(b) of the Act owing to the high degree of similarity between the marks offsetting the lesser degree of similarity between the goods and a no more than average degree of attention during the purchasing process.

42. The application for a declaration of invalidity succeeds under section 47(2)/5(2)(b) of the Act.

Section 5(3) of the Act

43. Section 5(3) states:

“(3) A trade mark which-

(a) is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a Community trade mark or international trade mark (EC), in the European Community) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.”

44. The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, [1999] ETMR 950, Case 252/07, *Intel*, [2009] ETMR 13, Case C-408/01, *Adidas-Salomon*, [2004] ETMR 10 and Case C-487/07, *L'Oreal v Bellure* [2009] ETMR 55 and Case C-323/09, *Marks and Spencer v Interflora*. The law appears to be as follows.

a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors*, paragraph 24.

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public; *General Motors*, paragraph 26.

(c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Saloman*, paragraph 29 and *Intel*, paragraph 63.

(d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark's reputation and distinctiveness; *Intel*, paragraph 42

(e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future; *Intel*, paragraph 68; whether this is the case must also be assessed globally, taking account of all relevant factors; *Intel*, paragraph 79.

(f) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the

goods/services for which the earlier mark is registered, or a serious risk that this will happen in future; *Intel, paragraphs 76 and 77*.

(g) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; *Intel, paragraph 74*.

(h) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact on the earlier mark; *L'Oreal v Bellure NV, paragraph 40*.

(i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks and Spencer v Interflora, paragraph 74 and the court's answer to question 1 in L'Oreal v Bellure*).

45. The conditions of section 5(3) are cumulative. Firstly, the applicant must show that its mark has achieved a level of knowledge/reputation amongst a significant part of the public. Secondly, it must be established that the level of reputation and the similarities between the marks will cause the public to make a link between the marks, in the sense of the earlier mark being brought to mind by the later mark. Thirdly, assuming that the first and second conditions have been met, section 5(3) requires that one or more of the three types of damage claimed (unfair advantage, detriment to distinctive character and detriment to repute) will occur. It is

unnecessary for the purposes of section 5(3) that the goods and services be similar, although the relative distance between them is one of the factors which must be assessed in deciding whether the public will make a link between the marks.

46. The first condition is reputation. The CJEU gave guidance in relation to assessing reputation in *General Motors*:

“24. The public amongst which the earlier trade mark must have acquired a reputation is that concerned by that trade mark, that is to say, depending on the product or service marketed, either the public at large or a more specialised public, for example traders in a specific sector.

25. It cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trade mark must be known by a given percentage of the public so defined.

26. The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.

27. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it.”

47. The earlier mark is an EUTM. In *Burgerista Operations GmbH v Burgista Bros Limited and others*⁴, at paragraph 69, His Honor Judge Hacon summarised the position with regard to reputation for EUTMs, taking into account the judgments of the CJEU in *PAGO International GmbH (C-301/07)*⁵ and *Iron & Smith kft v Unilever*

⁴ [2018] EWHC 35 (IPEC)

⁵ [2010] E.T.M.R. 5

*NV (C-125/14)*⁶, and the Opinion of Advocate General Wahl in *Ornua Co-operative Ltd v Tindale & Stanton Ltd España SL(C-93/16)*⁷:

“(1) An EU trade mark has a reputation within the meaning of art.9(2)(c) if it was known to a significant part of the relevant public at the relevant date.

(2) The relevant public are those concerned by the products or services covered by the trade mark.

(3) The relevant date is the date on which the defendant first started to use the accused sign.

(4) From a geographical perspective, the trade mark must have been known in a substantial part of the EU at the relevant date.

(5) There is no fixed percentage threshold which can be used to assess what constitutes a significant part of the public; it is proportion rather than absolute numbers that matters.

(6) Reputation constitutes a knowledge threshold, to be assessed according to a combination of geographical and economic criteria.

(7) All relevant facts are to be taken into consideration when making the assessment, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by undertaking in promoting it.

(8) The market for the goods or services in question, and from this the identity of the relevant public, ought to assume a paramount role in the assessment.

(9) The territory of a single Member State (large or small) may constitute a substantial part of the EU, but the assessment must be conducted without consideration of geographical borders.”

⁶ [2015] E.T.M.R. 45

⁷ [2017] E.T.M.R. 37

48. The applicant has not provided any evidence from which it is possible to gauge its market share. The European sales figures of £2.6 million in 2012 and 2013, and £3.3 million in 2014 appear healthy, although this must be a large market.

49. I will assume, for the sake of argument, that the evidence of use in the EU is enough to establish a qualifying reputation in the EU for the purposes of founding the ground under section 5(3). However, this does not take the applicant any further forward because there is no such reputation in the UK, as will be apparent from my findings in paragraph 39. If there is no reputation amongst the relevant public in the UK, then it follows that the relevant public will not make a link with the later mark. This is all the more so since there is no evidence that the use has been in relation to products relating to tyres, so the distance between the goods sold under the earlier mark and the goods of the later mark is another factor pointing against a link being made. Without a link, there can be no damage:

“41. If the reputation of the earlier mark does not extend to the United Kingdom, it is difficult to see how (at least in the usual case) it could be damaged by use of a mark in the United Kingdom, or that such use could be said to take unfair advantage of the earlier mark. For one thing, the necessary ‘link’ between the marks in the mind of the average consumer which must be established in any case which relies on the extended protection (see *Adidas-Salomon v Fitnessworld* [2004] ETMR 10) would not exist. There is certainly no evidence in the present case which explains how any ‘link’ could be made in the UK absent a reputation here.”⁸

50. The section 5(3) ground fails.

Section 5(4)(a) of the Act

51. The applicant is not in any better a position in relation to its section 5(4)(a) ground than it is in relation to section 5(2)(b). This is because it has succeeded on the basis of the notional coverage of its specification in class 1. Section 5(4)(a)

⁸ Mr Iain Purvis QC, sitting as the Appointed Person in *Groupement des Cartes Bancaires v. China Construction Bank Corporation*, BL O/281/14.

requires an assessment of whether the applicant enjoyed goodwill in the UK at the relevant date. It is unlikely to improve upon its section 5(2)(b) position. I, therefore, decline to deal with the section 5(4)(a) ground.

Overall outcome

52. The applicant has succeeded under section 47(2)/5(2)(b) of the Act. Under section 47(6), the registration is deemed never to have been made.

Costs

53. The applicant has been successful and is entitled to an award of costs, based upon the scale published in Tribunal Practice Notice 4/2007 (which applied at the date on which the notice of application for a declaration of invalidity was filed). I will also award an amount to the applicant in respect of a case management conference held on 5 April 2017 in which the registered proprietor was unsuccessful in its requests that (i) the applicant's evidence be refused, (ii) that the proceedings be suspended and (iii) it be granted additional time to file evidence. I make no award for the applicant's evidence as it did not assist the outcome of this decision. I will make a small award for considering the registered proprietor's evidence, which was brief and consisted only of the details of the assignment of the earlier mark. The breakdown of costs is as follows:

Official fee	£200
Preparing a statement and considering the counterstatement	£300
Considering the proprietor's evidence	£100
Case management conference attendance	£200
Written submissions	£500

Total

£1300

54. I order Zhongce Rubber Group Company Limited to pay Westlake Chemical Corporation the sum of £1300 which, in the absence of an appeal, should be paid within fourteen days of the expiry of the appeal period.

Dated this 15th day of March 2018

Judi Pike

For the Registrar,

the Comptroller-General