

O/347/18

TRADE MARKS ACT 1994

TRADE MARK REGISTRATION No. 3202388

IN THE NAME OF ECO-BAT TECHNOLOGIES PLC

AND

APPLICATION No. 501790

BY WESTLAKE LONGVIEW CORPORATION

FOR A DECLARATION OF INVALIDITY

Background and pleadings

1. This is an application by Westlake Longview Corporation of Texas, USA, (“the applicant”) for trade mark registration 3202388 to be declared invalid. The contested trade mark was filed on 15th December 2016 (“the relevant date”) and registered on 10th March 2017. The proprietor is Eco-Bat Technologies Plc (“the proprietor”).

2. The contested trade mark consists of the word ‘Reprolene’. The mark is registered in classes 1, 17 and 40 in relation to:

“Class 1: Plastics in the form of granules; Plastics in the form of pellets; Plastics, unprocessed; Plastics as raw materials; Plastics in raw form; Plastics in raw state; Raw plastics. Plastics in the form of granules; Plastics in the form of pellets; Plastics, unprocessed; Plastics as raw materials; Plastics in raw form; Plastics in raw state; Raw plastics.

Class 17: Plastics in extruded form used in production; Recycled compound plastics; Recycled plastics; Extruded plastics [semi-finished products]; Injection moulding plastics.

Class 40: Extruding of plastics; Recycling of plastics; Processing of plastics.”

3. The grounds for invalidation are based on earlier trade mark 747243. This mark consists of the word EPOLENE. It was registered in 1955 in relation to:

"Class 4: Polyethylene waxes and waxes made principally of polyethylene, all for use in manufacture.”

The applicant claims that (a) the marks are highly similar, (b) the respective goods/services are identical or similar to those covered by the earlier mark, and (c) there is a likelihood of confusion on the part of the public. Consequently, registration of the contested mark was contrary to section 5(2)(b) of the Trade Marks Act 1994 (“the Act”).

4. Additionally, or alternatively, the applicant claims that the earlier mark has acquired a reputation in the UK and that use of the later mark would, without due cause, take unfair advantage of, and/or be detrimental to, the distinctive character or reputation of the earlier mark. Consequently, registration of the contested mark was contrary to s.5(3) of the Act.

5. In the further alternative, the applicant claims to have used the earlier mark since 1955 in the UK in relation to:

“Polyethylene waxes, unprocessed polymer resins, and synthetic resins and waxes.”

The applicant claims that (a) it has acquired goodwill in the UK under the mark, (b) use of the contested mark would constitute a misrepresentation to the public that the proprietor is the applicant, and (c) this would damage the applicant’s goodwill. Consequently, use of the contested mark would be contrary to the law of passing off. Therefore, registration of the mark was contrary to s.5(4)(a) of the Act.

6. The proprietor filed a counterstatement denying the grounds for invalidation. In particular, the proprietor denies (a) that the marks are similar, (b) that there is any “overlap” between the respective goods/services, (c) that the earlier mark has acquired an enhanced degree of distinctive character through use. Additionally, the proprietor put the applicant to proof of use of the earlier mark.

Representation

7. The applicant is represented by Forresters IP, LLP. The proprietor is represented by Gerlach & Partner of Bonn, Germany. A hearing was held on 4th June 2018 at which the applicant was represented by Mr Steven Wake of Forresters IP. Dr Gerrit Meincke and Ms Juliane Kern of Gerlach & Partner represented the proprietor via a telephone link to Bonn.

The evidence

8. Only the applicant filed evidence. This consists of a witness statement by Ms Linda Russell, who is the applicant's Senior Intellectual Property Counsel. Ms Russell states that the applicant was founded in the USA in 1986 and has grown into a multi-billion-dollar international manufacturer of unprocessed plastics, artificial resins, polymers and other similar goods. The applicant acquired the Eastman Chemical Company along with its IP rights, including the earlier trade mark which it had registered in 1955.

9. Ms Russell says that the goods sold under the EPOLENE mark are polyethylene waxes, unprocessed polymer resins, and synthetic resins and waxes. These goods can be used in pigments, adhesives and packaging, as well as having various uses in the construction and automotive industries.

10. The applicant shipped nearly 8 million pounds (in weight) of EPOLENE products to the UK in the period 2007-2017. The figure for 2016 was 840k lb. The value of these sales during the period 2007-2017 was over \$10m. The value of the sales in 2016 was around \$1.09m.

11. Ms Russell says that the applicant makes "regular, repeated shipments of EPOLENE products to UK buyers." She exhibits copies of 5 invoices (one from each of the years 2013,14,15,16 & 17). These were sent to two addresses in the UK¹, bearing out Ms Russell's claim of regular, repeated orders by UK customers. Each of the invoices covers a sale of 40k lb of EPOLENE products. This suggests that there were about 21 shipments of EPOLENE to the UK in 2016, probably to a smaller number of customers.

12. According to Ms Russell, the applicant attends many annual conventions and industry trade shows where it advertises EPOLENE. She names two: the 2015 Adhesive and Sealants Council convention and the K-show. It is not clear where the first was held. Ms Russell says that it was attended by international chemical

¹ See exhibit F to WS Russell

companies with offices in the UK, which sounds like it was held elsewhere. The K-show was held in Germany. The applicant spends around \$25k per year advertising EPOLENE. This includes the amount spent producing product brochures and data sheets.

Proof of use

13. Section 47 of the Act (so far as relevant) states that:

“(2) The registration of a trade mark may be declared invalid on the ground-

- (a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or
- (b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.

(2A) But the registration of a trade mark may not be declared invalid on the ground that there is an earlier trade mark unless –

- (a) the registration procedure for the earlier trade mark was completed within the period of five years ending with the date of the application for the declaration,
- (b) the registration procedure for the earlier trade mark was not completed before that date, or
- (c) the use conditions are met.

(2B) The use conditions are met if –

- (a) within the period of five years ending with the date of the application for the declaration the earlier trade mark has been put to genuine use

in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or

(b) it has not been so used, but there are proper reasons for non-use.

(2C) For these purposes –

(a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and

(b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(2D) –

(2E) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.

(5) Where the grounds of invalidity exist in respect of only some of the goods or services for which the trade mark is registered, the trade mark shall be declared invalid as regards those goods or services only.

(6) Where the registration of a trade mark is declared invalid to any extent, the registration shall to that extent be deemed never to have been made.

Provided that this shall not affect transactions past and closed.”

14. The application to invalidate the contested mark was filed on 12th September 2017. The relevant period for establishing genuine use of the earlier mark is therefore 13th September 2012 to 12th September 2017.

15. The proprietor does not appear to dispute that the applicant used the earlier mark in the UK during the relevant period in relation to the registered goods. In any event, it is clear on the evidence that the applicant did make genuine use of the EPOLENE mark in the UK during the relevant period. It is therefore entitled to rely on the earlier mark for the purposes of these proceedings.

The section 5(2)(b) ground for invalidation

16. Section 5(2)(b) of the Act is as follows:

“5(2) A trade mark shall not be registered if because-

(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”.

Comparison of goods and services

17. I will first consider the goods covered by the earlier trade mark in class 4 and the goods covered by the contested mark in class 1. These are shown below.

| Goods covered by earlier mark | Goods covered by contested mark |
|---|--|
| Class 4: Polyethylene waxes and waxes made principally of polyethylene, all for use in manufacture. | Class 1: Plastics in the form of granules; Plastics in the form of pellets; Plastics, unprocessed; Plastics as raw materials; Plastics in raw form; Plastics in raw state; Raw plastics. Plastics in the form of granules; Plastics in the form of pellets; Plastics, unprocessed; Plastics as raw materials; Plastics in raw form; Plastics in raw state; Raw plastics. |

18. Mr Wake submitted that the difference in class number did not mean that the goods are not similar. According to him, they are identical. In support of his submission Mr Wake drew my attention to a decision of Ms Anna Carboni, as the Appointed Person, in *Procter and Gamble Company v Simon Grogan*.² Ms Carboni considered a similar issue. Having done so she observed as follows:

“31.The International Classification system is used to classify goods and services for the purposes of registration of United Kingdom trade marks pursuant to section 34(1) of the Act and rule 7(2) of the Trade Marks Rules 2000 (as amended).

32. The International Classification system also applies to Community trade marks. Rule 2(4) of Commission Regulation 2868/95/EC implementing the Regulation on the Community trade mark (40/94) states as follows:

(4) The classification of goods and services shall serve exclusively administrative purposes. Therefore, goods and services may not be regarded as being similar to each other on the ground that they appear in the same class under the Nice Classification, and goods and services may not be regarded as being dissimilar from each other on the ground that they appear in different classes under the Nice Classification.

33. It is thus made plain under the Community trade mark system that class numbers are irrelevant to the question of similarity of goods and services.

34. There is no similarly plain provision in the Act or the Directive. The Court of Appeal has held that, although the purpose of classifying goods and services is primarily administrative, that does not mean that the class numbers in an application have to be totally ignored in deciding, as a matter of construction, what is covered by the specification: *Altecnic Ltd's Trade Mark Application (CAREMIX)* [2001] EWCA Civ 1928, [2002] RPC 639. But neither

² BL O/176/08

the Court of Appeal, nor the ECJ, nor any other court or tribunal in the United Kingdom, has gone so far as to state that class numbers are determinative of the question of similarity of goods in the case of national trade marks. On the contrary, they are frequently ignored.”

19. I find that Mr Wake is correct. The different class numbers do not mean that the goods are not similar, or even that they are not identical. In a case such as this where the description of the goods is specific and crystal clear, the class in which the goods were registered has no role to play in the interpretation of what the goods are. It follows that the class number of the earlier mark is irrelevant when it comes to determining if the goods are identical or similar to those covered by the contested mark.

20. There is no dispute that polyethylene is a common form of plastic. Further, both sets of goods are used in the process of manufacturing other goods. Therefore, the main difference between the parties at the hearing (about the interpretation of the registered descriptions of goods) was whether the description of the applicant’s goods as ‘waxes’ meant that they were not “*Plastics in the form of granules; Plastics in the form of pellets.*” However, it appears from the Product Data Sheets³ that the applicant’s EPOLENE products are classified as waxes (because of their low melting point) but come in the form of pellets and powders. It follows that Polyethylene waxes for use in manufacture are included within the more general term *Plastics in the form of pellets*. Therefore, at least some of the goods covered by class 1 of the contested mark are identical to the goods covered by the earlier mark. I find that the other goods in class 1 are highly similar to the applicant’s registered goods in class 4.

21. I have more doubt about the similarity between the applicant’s goods in class 4 and the goods and services covered by classes 17 and 40 of the contested mark. These are semi-finished goods and services, respectively. The applicant’s goods may be used as an ingredient in the manufacture of the goods in class 17, and in the provision of the services in class 40, but that does not make them similar, particularly

³ See exhibit D to Ms Russell’s WS

as the customers for the respective goods/services seems likely to be different.⁴ However, for reasons that will become apparent, it is not necessary to decide this matter. I will therefore base my assessment of the likelihood of confusion on my finding that some of the respective goods are identical. If the opposition fails for these goods, it follows that it will fail where the goods/services are only similar, or not similar at all.

Global comparison

22. 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;

⁴ See *Les Éditions Albert René v OHIM*, Case T-336/03, the General Court at paragraph 61 of the judgment.

(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.

Average consumer and the selection process

23. It is common ground that the average consumer of the goods in class 1 is a manufacturer of goods selecting materials for use in the manufacturing process. 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*. According to the proprietor, the purchaser of the goods at issue would be a technical expert who would pay a very high degree of attention when selecting appropriate products for his or her business. Mr Wake did not really take issue with the proprietor's characterisation of the type of average consumer. However, he submitted that such a consumer would pay a lower level of attention when it came to repeat orders, which are at the core of the applicant's business.

24. I accept the proprietor's submissions on this point. Mr Wake may be correct that the relevant average consumer will pay less attention when placing repeat orders. However, by the very nature of such orders the consumer is likely to have an established relationship with the supplier of the goods, so the potential for confusion in these circumstances is low. At the times when the consumer selects the goods he or she intends to use in the manufacturing process, the need to ensure that the goods meet technical manufacturing requirements, and the cost (bearing in mind the likely size of the purchase) will mean that the consumer's level of attention is high.

25. I would expect the goods at issue to be selected mainly by the eye from product brochures, data sheets, advertisements and displays on exhibitions stands. However, word of mouth recommendations may also play some part in the process. Therefore, the way the marks look matters more than the way that they sound, but some significance must also be attached to the latter.

Distinctive character of the earlier mark

26. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV* 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 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).”

27. The earlier mark is not descriptive of the goods for which it is registered. EPOLENE appears to be an invented word. As such it has an above average degree of inherent distinctive character.

28. The applicant claims that the distinctive character of the mark has been enhanced through use. The proprietor disputes this. Even though the earlier mark has been in use in the UK for a very long time, I do not accept that the applicant has shown that it had acquired an enhanced level of distinctiveness through use at the relevant date. The volume of sales appears to be significant at first sight, but on

closer analysis the actual numbers of UK sales appear relatively small. Further, the number of UK customers seems likely to be smaller still. The applicant's promotion of the mark also appears to be very limited indeed, almost non-existent in the UK. I am left with the impression that the applicant has only a small share of the relevant UK market. And I do not consider it likely that the earlier mark would have been known (at the relevant date) to a significant proportion of the relevant UK public in the industrial sectors that use polyethylene polymers, including the sectors that manufacture pigments, adhesives, and packaging, as well as the construction and automotive manufacturing industries.

Comparison of the marks

29. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components.

The respective trade marks are shown below:

| | |
|--------------------|----------------------|
| EPOLENE | Reprolene |
| Earlier trade mark | Contested trade mark |

30. The presentation of the words EPOLENE and REPROLENE in upper and lower case fonts makes no difference. The marks are registered as words. Normal and fair use of the marks would include use in upper and lower-case letters.

31. It is common ground that neither mark has a concept. Therefore, it is not possible to compare the concepts of the marks.

32. The applicant points out that all the letters of the earlier mark appear in the contested mark, and in the same order. According to the applicant, the earlier mark

is pronounced as EP-OH-LEEN, whereas the contested mark is liable to be pronounced as REP-RO-LEEN. Accordingly, both marks are comprised of three syllables, the first two of which sound similar and the third identical.

33. The proprietor disputes that the marks are visually and aurally similar. The proprietor points out that the beginnings of the marks differ in that the earlier mark begins EPO- whereas the contested mark begins REPRO- . In this respect, the proprietor points out that, generally, the beginnings of marks make more impact on consumers than the ends. As regards pronunciation, the proprietor submits that the contested mark is likely to be pronounced RE-PRO-LEEN. This is because it is used in respect of a polypropylene product. The suggestion being that educated consumers will see the PRO and LENE in REPROLENE as suggestive of a polypropylene based product.

34. I accept that the different beginnings of EPOLENE and REPROLENE makes an immediately noticeable difference to the way that the marks look.⁵ In my view, there is only a low to medium degree of visual similarity between the marks as wholes. There is no evidence of use of the contested mark in the UK. Therefore, arguments about the way it will be pronounced based on the consumer's understanding that the mark is used in relation to a polypropylene product cannot be given any weight. Nevertheless, I accept that REPROLENE is as likely to be pronounced RE-PRO-LEEN as REP-RO-LEEN. On the first possible pronunciation, the marks are aurally similar to only a low degree. On the second possible pronunciation, the marks are similar to a low to medium degree.

⁵ See, for example, the judgment of the General Court in *El Corte Inglés, SA v OHIM*, Cases T-183/02 and T-184/02, at paragraphs 81 to 83, for an illustration as to how the beginnings of marks usually make a strong contribution towards the assessment of a likelihood of confusion.

Likelihood of confusion

35. In *O2 Holdings Limited, O2 (UK) Limited v Hutchison 3G UK Limited*⁶ the CJEU stated that when assessing the likelihood of confusion under Section 5(2) it is necessary to consider all the circumstances in which the mark applied for might be used if it were registered. Therefore, I must consider the effect of the use of the contested mark in relation to all types of unprocessed plastics, including polyethylene and polypropylene based plastics.

36. The identity of some of the class 1/class 4 goods and the above average degree of distinctive character of the earlier trade mark are factors which point towards a likelihood of confusion. On the other hand, the relatively low (i.e. low to medium) degree of visual and (on one pronunciation) aural similarity between the marks do not point as strongly towards a likelihood of confusion. Particularly given that the marks consist of invented (and therefore unfamiliar) words, the applicant's strongest case is that there is a likelihood of confusion through imperfect recollection of one or other of the marks. I have carefully considered this, but I find that there is no likelihood of confusion. In my view, the sophisticated nature of the average consumer and the high level of attention he or she is likely to pay during the selection of the goods at issue is sufficient to exclude the likelihood of confusion.

37. As this is the case even where the goods are identical, it follows that there is no likelihood of confusion in classes 17 or 40 where the goods/services covered by the contested mark are, at most, only similar to those covered by the earlier mark.

38. The ground for invalidation based on s.5(2)(b) is therefore rejected.

The section 5(4)(a) ground for invalidation

39. Mr Wake could not say how the applicant's case under s.5(4)(a) could succeed if the case based on s.5(2)(b) failed. In particular, he accepted that the goods in relation to which the earlier mark had been used were the same goods for which it is

⁶ Case C-533/06, at paragraph 66 of the judgment

registered. Therefore, although I accept that the applicant has established goodwill in the UK under the mark, use of the contested mark would not amount to a misrepresentation to the public. Consequently, such use would not amount to passing off. The s.5(4)(a) based ground therefore fails for the same reasons as the s.5(2)(b) based ground.

The section 5(3) ground for invalidation

40. This leaves the s.5(3) ground. 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 European Union trade mark or international trade mark (EC), in the European Union) 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.”

The case law

41. 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, *Addidas-Salomon*, [2004] ETMR 10 and 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 of 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).

Reputation

42. In my view, the opponent has not shown that EPOLENE was known to a significant part of the relevant UK public at the relevant date. Therefore, the s.5(3) ground falls at the first hurdle. I am aware that in *Enterprise Holdings Inc. v Europcar Group UK Ltd*,⁷ Arnold J. stated that proving a reputation “*is not a particularly onerous requirement.*” However, the evidence before Arnold J. in that case showed that the claimant was in fact the market leading car hire company in the UK with a 30% share of the UK market. It was in that context that the judge said that proving a reputation “*is not a particularly onerous requirement.*” He had no reason to turn his mind to situations where the claimant had only a small and/or unquantified share of the relevant market in the UK.

43. In *Rise Construction Management Limited v Barclays Bank*,⁸ Professor Philip Johnson, as the Appointed Person, rejected an appeal against the Hearing Officer's decision that the earlier mark in that case had not been shown to have acquired a reputation for s.5(3) purposes. He said:

⁷ [2015] EWHC 17 (Ch)

⁸ BL O/635/17

“76. Even if the Hearing Officer had considered all the evidence of other successful management projects (Bow Street Magistrates’ Court, the UK Pavilion at the Madrid Expo, the Royal Opera House, or Kidzania) and the attendant publicity as well as given some (possibly) very little weight to the awards it would have made no material difference. None of this material addresses the fundamental difficulties faced by the Respondent namely that there was no evidence presented as to market share, no evidence from trade bodies or from people with standing in the industry, and no evidence of the market in which the reputation was claimed.

44. Mr Wake pointed out that EPOLENE had been cited in a UK patent application in 1963 and in an EPO patent application in 1990. I do not consider that this comes close to showing that the mark was known to a significant proportion of the relevant UK public in 2016.

Link

45. In case I am wrong about that I will also consider whether, if EPOLENE had a qualifying reputation in the UK at the relevant date, the relevant average consumers would have made the required ‘link’ with the contested mark. I remind myself that the earlier mark is inherently distinctive to an above average degree. Further, there is a complete overlap between consumers of the applied-for goods covered by class 1 of the contested mark and the consumers of the registered goods covered by the earlier mark.⁹ However, bearing in mind:

- (i) The low to medium degree of similarity between the respective marks;
- (ii) That the reputation of the earlier mark in the UK is, at most, modest;
- (iii) That there is no likelihood of confusion on the part of the UK public;

- I find that UK consumers encountering the contested mark in use, even relation to the goods in class 1, would not make any link with the earlier mark.

⁹ The position is different with regards to the goods/services covered by classes 17 and 40 of the contested mark, where I would expect the respective consumers to be largely different, albeit with some degree of overlap.

Unfair advantage/detriment to reputation or distinctive character

46. It follows that the opponent's claims of unfair advantage/detriment to the reputation of EPOLENE must be rejected. Further, if I had found that the opponent's mark had a qualifying reputation and that a significant proportion of average UK consumers of the goods covered by class 1 of the contested mark would make a mental link between the marks, I would have held that any such link would be too weak and fleeting to affect the economic behaviour of the type of consumers at issue. In other words, too weak for the reputation of the earlier mark to transfer to the contested mark in a way that provides that mark with an unfair advantage. This is particularly so in view of the type of goods at issue, the selection of which is very unlikely to be influenced by the sophisticated trade consumers concerned being simply reminded of another trade mark.

47. Again, the applicant's case is no stronger when considered in relation to less similar, or dissimilar goods/services in classes 17 and 40.

48. I turn next to the claim of dilution. Apart from the claim of a likelihood of confusion as to the trade source of the goods sold under it, which I have rejected, the opponent has not shown how the use of REPROLENE would affect the economic behaviour of consumers of the opponent's goods. Consequently, the allegation of detriment to distinctive character must be rejected.¹⁰

49. Finally, the opponent's argument that the reputation of EPOLENE will be damaged if the contested mark is used in relation to goods of an inferior quality is hypothetical and must be rejected on that basis alone.¹¹

50. The s.5(3) ground therefore fails.

¹⁰ See *Environmental Manufacturing LLP v OHIM*, Case C-383/12P, CJEU

¹¹ See the decision of Ms Anna Carboni as the Appointed Person in *Unite The Union v The Unite Group Plc*, Case BL O/219/13

Outcome

51. The application for invalidation is rejected.

Costs

52. The application having failed, the proprietor is entitled to a contribution towards its costs. The proprietor is represented by attorneys based in Germany. They took part in the hearing only by telephone link. Further, they failed to provide a skeleton argument as required under the registrar's practice directions.¹² Both of these things saved the proprietor costs. The latter may have extended the hearing a little and thereby caused the applicant some unnecessary additional costs. I take these matters into account in assessing the appropriate costs as follows:

£400 for considering the applicant's application and filing a counterstatement;
£150 for considering the applicant's evidence and filing written submissions;
£300 for attending a hearing via telephone link.

53. I therefore order Westlake Longview Corporation of Texas, USA, to pay Eco-Bat Technologies Plc the sum of £850. This sum to be paid within 21 days of the end of the period allowed for appeal.

Dated this 8th day of June 2018

**Allan James
For the Registrar**

¹² See Tribunal Practice Notices 1/2004 and 1/2016.