

O-093-21

TRADE MARKS ACT 1994

**IN THE MATTER OF REGISTRATION NO. 3395714 IN THE NAME OF JOHN
GRIFFIN-PARRY IN RESPECT OF THE SERIES OF THREE TRADE MARKS IN
CLASS 25**

SOLAS

solas

Solas

**AND AN APPLICATION FOR A DECLARATION OF INVALIDITY THERETO
UNDER NO. 502870 BY RUTH MITCHELL AND CIORSTAIHD MONK T/A SOLAS
SLEEPWEAR**

AND

**IN THE MATTER OF TRADE MARK APPLICATION NO. 3407250
BY MITCHELL AND MONK LTD TO REGISTER THE TRADE
MARK**

SÒLAS

IN CLASS 25

**AND IN THE MATTER OF OPPOSITION THERETO UNDER NO. 418600 BY
JOHN GRIFFIN-PARRY**

Background and pleadings

1. These proceedings relate to an application for invalidation and an opposition involving, on the one hand, John Griffin-Parry (“Party B”) and, on the other, related parties Ruth Mitchell and Ciorstaidh Monk (“Party A”) and Mitchell and Monk Ltd (“Party C”). Whilst Party A and Party C are different legal entities, they have the same controlling minds and with Party C being set up as the corporate vehicle to take forward the SOLAS business set up by Party A, the proceedings have been consolidated.

2. On 20 November 2019, Party A filed an application for invalidation against Party B’s trade mark registration 3395714, the relevant details of which are shown below:

Registration No.	3395714
Marks (series of 3):	SOLAS solas Solas
Filing Date:	30 April 2019
Registration Date:	19 July 2019
List of goods:	<p>Class 25: <i>Ankle socks; Anoraks; Anoraks [parkas]; Anti-sweat underclothing; Articles of clothing; Articles of outer clothing; Articles of sports clothing; Articles of underclothing; Athletic clothing; Athletic footwear; Bandanas; Baseball caps and hats; Baseball shoes; Baseball uniforms; Bathing suits; Beach clothing; Beach hats; Beachwear; Belts [clothing]; Blazers; Caps; Chemises; Childrens' clothing; Children's footwear; Children's headwear; Clothes; Clothing; Clothing for sports; Coats; Dresses; Footwear; Gilets; Gloves; Hats; Hooded tops; Hoodies; Jackets; Jeans; Jerkins; Jerseys; Jumpers; Leather clothing; Men's clothing; Outerwear; Parkas; Pyjamas; Shirts; Shoes; Shorts; Sleepwear; Sweaters; Sweatshirts; Trousers; T-shirts; Underclothes; Wind coats; Wind jackets; Wind pants; Windcheaters; Women's clothing; Tracksuit bottoms; Tracksuit tops; Tracksuits.</i></p>

3. The grounds for invalidation are based upon sections 47(2)(b) and 5(4)(a) and sections 47(1) and 3(6) of the Trade Marks Act 1994 (“the Act”). For the purposes of the ground based upon section 5(4)(a), Party A relies upon claimed use of the sign SOLAS throughout the UK, since February 2018, in respect of *fashion and textile design services; clothing; retail of clothing*. Party A claims that it started trading in November 2017 and first sold products under the SOLAS sign in February 2018. It claims to have “boosted its reputation by completing a Kickstarter crowdfunding campaign (launched in March 2019) to internationalise the brand and to establish trade in Paris”. On 7 May 2019 the whole undertaking was incorporated into Party C as a going concern. It claims that use of the sign by Party B, as at the relevant date, is likely to constitute a misrepresentation leading to likely damage of Party A’s goodwill.

4. The section 3(6) ground is based on a claim that on 18 September 2019, Party B issued a letter to Party A and Party C “under the guise of a threat to oppose” Party C’s new application (no. 3407250) to register the mark SÖLAS. It is claimed that this letter also contained threats of litigation that “will incur substantial expense” unless undertakings were signed acknowledging infringement of Party B’s mark and paid fees and expenses to Party B. The letter failed to point out Party A/Party C’s right to take legal action. Party A claims that the threat of infringement proceedings is an actionable threat, pursuant to section 21A and relies upon the principle that later evidence (in this case, the letter of 18 September 2019) may be relevant in casting light backwards. It contends that because of the crowdfunding campaign, it can be inferred that Party B was aware of Party A’s SÖLAS mark and his letter was an attempt to extort some of the proceeds of the crowdfunding campaign.

5. On 17 June 2019, Party C applied to register its mark, the relevant details of which are:

Registration No. 3407250

SÒLAS

List of goods:

Class 25: *Sleep masks; Sleep pants; Sleep shirts; Sleeping garments; Sleepsuits; Sleepwear; Slippers; Slippers made of leather; Slips [clothing]; Small hats; Socks; Swimming costumes; Swimming suits; Swimsuits; Swimwear; Head bands; Head scarves; Headbands; Headscarves.*

6. It was published in the Trade Marks Journal on 30 August 2019. Subsequent to a Joint Hearing, Party B was permitted to file a late Form TM8 and counterstatement. This was received on 7 May 2020. The grounds of opposition are summarised as:

- Party C's application offends under section 5(1) and section 5(2)(b) because its mark is aurally identical to Party B's 3395714 SOLAS mark (the relevant details are at paragraph 2, above). Party C also asserts that the word element SOLAS/SÒLAS is the dominant and distinctive element of both parties' marks, with Party C's mark being in a stylised form with an accent appearing above the letter "o" that adds very little distinctive character. It is asserted that the average consumer will not be likely to distinguish the marks and that they are highly similar or identical. It concludes that there is a high likelihood of confusion.
- A claim of passing off under section 5(4)(a) was claimed but this was subsequently dropped at the hearing.

7. The parties both filed counterstatements denying each other's respective claims.

8. The parties both filed evidence and Party A/Party C also provided two sets of written submissions. The evidence will be summarised to the extent that it is considered necessary and I will keep the submissions in mind. A Hearing took place on 26 November 2020 where Party A/Party C were represented by Philip Hannay for

Cloch Solicitors Ltd and Party B was represented by Charlotte Blythe of counsel, instructed by Virtuoso Legal Limited.

Party A/Party C's Evidence

9. Party A/Party C's evidence takes the form of a witness statement by Ms Monk, a designer and co-founder of the "Sòlas sleepwear business" and founder, designer, director and shareholder of Party C, and a further two witness statements by Mr Hannay, Scottish solicitor at Cloch Solicitors in his capacity as Party A/Party C's representative.

Party B's evidence

10. This takes the form of a three witness statements by Mr Griffin-Parry in his capacity as proprietor of Trade Mark no. 3395714.

DECISION

Approach

11. The outcome of Party A's invalidation application will determine the status of the earlier mark relied upon by Party B in his opposition to Party C's application. Therefore, I will begin by considering Party A's invalidation application.

12. Although the UK has left the EU, section 6(3)(a) of the European (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Trade Marks Act relied on in these proceedings are derived from an EU Directive. This is why this decision continues to make reference to EU trade mark law.

Party A's Invalidation proceedings

13. In respect of invalidation proceedings, grounds based upon section 5(4)(a) and section 3(6) of the Act are relevant because of the provisions set out in section 47 of the Act, the relevant parts being as follows:

“47. - (1) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 3 or any of the provisions referred to in that section (absolute grounds for refusal of registration).

[...]

(2) the registration of a trade mark may be declared invalid on the ground—

(a) ...

(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.

...

(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.”

Section 5(4)(a)

14. Section 5(4)(a) states:

“A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented –

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

(b) [.....]

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of “an earlier right” in relation to the trade mark.”

15. Subsection (4A) of Section 5 states:

“(4A) The condition mentioned in subsection (4)(a) is that the rights to the unregistered trade mark or other sign were acquired prior to the date of application for registration of the trade mark or date of the priority claimed for that application.”

16. In *Discount Outlet v Feel Good UK*, [2017] EWHC 1400 IPEC, Her Honour Judge Melissa Clarke, sitting as a deputy Judge of the High Court, conveniently summarised the essential requirements of the law of passing off as follows:

“55. The elements necessary to reach a finding of passing off are the ‘classical trinity’ of that tort as described by Lord Oliver in the Jif Lemon case (*Reckitt & Colman Product v Borden* [1990] 1 WLR 491 HL, [1990] RPC 341, HL), namely goodwill or reputation; misrepresentation leading to deception or a likelihood of deception; and damage resulting from the misrepresentation. The burden is on the Claimants to satisfy me of all three limbs.

56. In relation to deception, the court must assess whether “*a substantial number*” of the Claimants’ customers or potential customers are deceived, but it is not necessary to show that all or even most of them are deceived (per

Interflora Inc v Marks and Spencer Plc [2012] EWCA Civ 1501, [2013] FSR 21).”

17. Halsbury’s Laws of England Vol. 97A (2012 reissue) provides further guidance with regard to establishing the likelihood of deception. In paragraph 309 it is noted (with footnotes omitted) that:

“To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

(1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and

(2) that members of that class will mistakenly infer from the defendant’s use of a name, mark or other feature which is the same or sufficiently similar that the defendant’s goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

(a) the nature and extent of the reputation relied upon;

(b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;

(c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;

(d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and

(e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.”

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action.”

18. In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11, Mr Daniel Alexander QC, as the Appointed Person, endorsed the registrar’s assessment of the relevant date for the purposes of section 5(4)(a) of the Act, as follows:

“43. In *SWORDERS TM* O-212-06 Mr Alan James acting for the Registrar well summarised the position in s.5(4)(a) proceedings as follows:

‘Strictly, the relevant date for assessing whether s.5(4)(a) applies is always the date of the application for registration or, if there is a priority date, that date: see Article 4 of Directive 89/104. However, where the applicant has used the mark before the date of the application it is necessary to consider what the position would have been at the date of the start of the behaviour complained about, and then to assess whether the position would have been any different at the later date when the application was made.’ ”

19. The filing date of the contested registration was 30 April 2019 and is the relevant date for the purposes of my considerations. No other date is relied upon by the parties.

Goodwill

20. The long-standing definition of goodwill is as follows:

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first start.”¹

21. The evidence in support of the claimed goodwill is provided by Ms Monk. The relevant parts of this evidence can be summarised as:

- Ms Monk and Ruth Mitchell decided to collaborate and trade under the Sòlas mark in 2016 in respect of clothing²;
- Evidence is provided of activities, in 2017, such as obtaining innovation support from Scottish Enterprise, to develop their enterprise³. There is a claim on the business’ Facebook page that it was founded in 2017⁴;
- They began selling silk sleep masks via Instagram and local markets around Glasgow and Edinburgh in 2017⁵;
- The business “diversified somewhat” in February 2018 when it registered the domain name solassleepwear.com⁶;
- Retailers and curators began to stock and promote Sòlas products “later in 2018” and the business was recognised as a “local hero” business⁷;
- Screenshots from social media posts refer to a pop-up shop at The Garment Factory in Glasgow in “late Spring 2018” (viewed by 241 people) (the screen shot is undated and identifies the two individuals referred to as Party A by their personal names rather than Sòlas). A Sòlas brand preview at the “Made

¹ *Inland Revenue Commissioners v Muller & Co’s Margarine Ltd* [1901] AC 217 (HOL)

² Ms Monk’s witness statement, para 2

³ Ditto, para 3

⁴ Ditto, para 4 and Exhibit A-02, where the earliest dated evidence of sleep masks being sold under the name SÒLAS is Local Heroes exhibitor announcement dated 26 July 2018

⁵ Ditto

⁶ Ditto, para 5 and Exhibit A-03

⁷ Ditto, para 6

in Glasgow” Local Heroes exhibition between 28 July and 12 August 2018 is promoted on “Local Heroes” Facebook page dated 26 July 2018. Four further social media posts relate to the inclusion of Sòlas products at this festival⁸;

- Further social media screenshots are provided relating to the sale of Sòlas sleep masks (for £45 each) at a Hill Street Design House pop-up retail event in Edinburgh between 1 and 8 December 2018⁹;
- Party A’s business was offered a Lottery Crowdfunding Creativity Programme grant of up to £1500 on 27 August 2018. The confirming letter was sent to Ms Monk and makes no mention to the business name Sòlas¹⁰;
- Eighteen PayPal transaction records are provided that are dated before the relevant date and totalling £630 of sales¹¹. The earliest of these is dated 21 April 2018. One other is later in the same month, six in May 2018, five in July 2018, three in September 2018 and two in October 2018. One invoice¹² includes the customer comment “thanks for the sleep mask! x” but other than this it is not possible to ascertain what the invoices relate to. None of these documents mention the sign Sòlas. Rather, payments are recorded as being made to Ms Monk’s personal email address. Further, as observed by Ms Blyth, two relate to purchases made by Ms Mitchell;
- Four further invoices, dated between August 2018 and May 2019, are stated as relating to direct sales totalling £591¹³. Two of these relate to a combined total of twelve sleep masks (totalling £229.50) but the other two invoices do not indicate what products they relate to. Only one invoice is before the relevant date and this indicates sales of nine sleep masks at a cost of £162;
- A further thirteen invoices dated before the relevant date described as being “Sòlas product invoices relating to fundraising” and all dated between “5 November 2018 and 12 January 2019¹⁴. These total £958 but do not show what products they relate to¹⁵. One is for £440 being nearly half of the total value of these invoices;

⁸ Ditto and Exhibit A-04

⁹ Ditto, para 10 and Exhibit A-11

¹⁰ Ditto, para 7 and Exhibit A-06

¹¹ Ms Monk’s witness statement, para 8 and Exhibit A-07

¹² Shown at page 40 of Exhibit A-07

¹³ Ms Monk’s witness statement, para 8 and Exhibit A-08

¹⁴ Ditto, para 8

¹⁵ See Exhibit A-09

- Further social media screenshots refer to Party A’s business attending the following:
 - a scrunchie product event held at the Hair Club in October 2018¹⁶;
 - a pop-up retail event at the Studio Warehouse Glasgow¹⁷;
- An article about the Sòlas business and products appeared in the Luxury Winter 2018 supplement of The Herald newspaper. It makes references to pyjamas, sleep masks and a fragrance collection and that originally orders were taken via Instagram but “now” the website was up and running in time for Christmas¹⁸. It indicates that the price of tops is £150 and £30 for sleep masks;
- A Google Analytics report is provided for Party A’s website solassleepwear.com in respect of the period 19 November 2018 to 6 August 2019. The relevant date for assessing the goodwill is 30 April 2019. A graph shows visitor numbers to the website being very low with “page views” shown as being mostly below 30 per day but four spikes before the relevant date, one of which shows about 150 page views around Christmas 2018, two others at about 100 and a fourth at about 50¹⁹. A graph showing sales from this website is provided²⁰. It shows a flat line near zero with a spike that is said to be about £1000 in December 2018²¹ but the image of the graph is not clear enough to confirm this;
- “Sòlas Sleepwear” was highlighted as “Maker of the Month” for February 2019 by the Welcome Home e-commerce store²²;
- A table listing donations or purchases (received before the relevant date) made to Party A’s Kickstarter campaign shows 123 backers who donated in the region of £4300 in total²³ and is broken down as follows:
 - 4 pyjama sets, tops or bottoms;
 - 37 scrunchies;
 - 21 digital playlists;

¹⁶ Ms Monk’s witness statement, para 9 and Exhibit A-10

¹⁷ Ms Monk’s witness statement, para 9 and Exhibit A-10

¹⁸ Exhibit A-10, pages 85 - 87.

¹⁹ Miss Monk’s witness statement, para 11 and Exhibit A-12

²⁰ At Exhibit A-13

²¹ Miss Monk’s witness statement, para 12

²² Ditto, para 13 and Exhibit A-14

²³ See Exhibit A-17

- 39 sleep masks;
- 1 set of earrings;
- 11 sleep sprays

22. In respect of whether Party A had sufficient goodwill, Ms Blythe relied upon the comments of Tom Mitcheson Q.C. sitting as the Appointed Person in *RECUP Trade Mark*, BL O-304-20 reproduced below with Mr Mitcheson's original emphasis in bold and Ms Blythe's emphasis underlined:

"30. As Lord Neuberger explained in *Starbucks (HK) Ltd v British Sky Broadcasting Group Plc*, [2015] F.S.R. 29 at §47, a claimant in a passing off claim must establish that it has actual goodwill in this jurisdiction. He went on at §52 to point out (emphasis added):

52. As to what amounts to a sufficient business to amount to goodwill, it seems clear that mere reputation is not enough, as the cases cited at [21]–[26] and [32]–[36] above establish. **The claimant must show that it has a significant goodwill, in the form of customers, in the jurisdiction**, but it is not necessary that the claimant actually has an establishment or office in this country. In order to establish goodwill, the claimant must have customers within the jurisdiction, as opposed to people in the jurisdiction who happen to be customers elsewhere.

31. As can be seen from the extract from the Decision I have quoted above, the Hearing Officer's conclusions as to goodwill were expressed very briefly. It was almost as if he had determined that the possession of *any* goodwill by Party A was automatically sufficient to allow a finding of passing off. I do not consider this to be a correct statement of the law. As Lord Neuberger made clear in the paragraph cited above, it is necessary for a claimant to demonstrate that it has "*a significant goodwill, in the form of customers*" in the United Kingdom.

32. Lord Oliver put it this way in *Jif* (emphasis added):

First, he must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying “get-up” (whether it consists simply of a brand name or a trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, **such that the get-up is recognised by the public as distinctive specifically of the plaintiff’s goods or services.**

33. Lord Fraser had explained it as follows in the *Advocaat* case (*Erven Warnink B.V. v. J. Townend & Sons (Hull) Ltd.* [1980] R.P.C. 31) in his fourth and fifth probanda (bold emphasis added):

(4) That he, the plaintiff, as a member of the class of those who sell the goods, is the owner of goodwill in England **which is of substantial value;**

(5) That he has suffered, **or is really likely to suffer, substantial damage to his property** in the goodwill by reason of the defendants selling goods which are falsely described by the trade name to which the goodwill is attached.

34. So, a successful claimant in a passing off claim needs to demonstrate more than nominal goodwill. It needs to demonstrate significant or substantial goodwill and at the very least sufficient goodwill to be able to conclude that there would be substantial damage on the basis of the misrepresentation relied upon.

35. In my judgment the Hearing Officer did not ask himself whether Party A had generated sufficient or significant goodwill as at 28 January 2018 to succeed in a claim for passing off. Instead, he seemed to treat it as a binary decision – was there goodwill or not – more akin to an assessment of use in the case of an allegation of non-use. I do not think he was correct in his approach because he did not attempt to assess the amount of goodwill accrued. This is an essential part of the determination of the tort of passing off

because nominal goodwill will not found a successful claim. His failure to assess the quality or quantity of the goodwill was an error of law and accordingly I should analyse the issue afresh.”

23. Ms Blythe pointed out that the total volume of sales is under £6,500 and amounts to no more than a trivial volume when compared to the “vast size” of the UK clothing market. She further criticised the evidence of sales and pointed out that two of the invoices provided relate to purchases by Ms Ruth Mitchell, one of the founders of Party A and others come with personal messages suggesting that they were sales made to friends. Ms Blythe also pointed to the fact that the crowdfunding campaign began in March 2019 and that this suggests that any trade prior to that was minimal.

24. Mr Hannay submitted that the sales over the internet, the pop-up shops and the sales made through the crowdfunding exercise clearly demonstrated the existence of the requisite goodwill. He also submitted that the grant from the Scottish Government was key evidence as it implicitly acknowledges that Party A had a growing customer base. He also suggested that evidence after the relevant date can cast light backwards and give a flavour of the momentum of the business.

25. It is clear from the authorities that goodwill must be more than trivial in extent²⁴, that a new undertaking can have goodwill²⁵ and that that a small business which has more than trivial goodwill can protect signs that are distinctive of that business²⁶. I keep this in mind as well as the guidance referred to by the parties.

26. There are a number of cases where a slight use has been sufficient on which to base a claim of passing off²⁷. However, in these examples, the use was notably more than in the present case.

²⁴ *Hart v Relentless Records* [2002] EWHC 1984 (Ch), [62]

²⁵ *IRC v Muller & Co's Margarine Ltd* [1901] A.C. 217 (HL)

²⁶ *Stacey v 2020 Communications* [1991] FSR

²⁷ See, for example, *Chelsea Man v Chelsea Girl* [1987] R.P.C. 189, CA, *Stacey v 2020 Communications* and *Thistle Communications v Thistle Telecom* 2000 S.L.T. 262

27. In the current case, there were efforts made to establish the business in 2017 (as evidenced by obtaining innovation support from Scottish Enterprise), however, the first confirmed sale made by Party A is evidenced by the transaction details obtained from PayPal showing an unspecified purchase for £20 made on 21 April 2018. As Ms Blythe identified at the hearing, Party A's evidence shows the following sales prior to the relevant date:

- 123 backers of Party A's Kickstarter Campaign donated approximately £4,300 but that the campaign was not launched until March 2019 and Ms Blythe submitted that, therefore, any trade prior to the relevant date would have been minimal;
- Eighteen PayPal invoices (from between April and October 2018) totalling £630 but, other than one in respect of a sleep mask, there is no explanation to what goods they relate;
- Three invoices from before the relevant date totalling £591, one relating to the Local Heroes event in July/August 2018 for £330; one showing £104 sales from the Hill St event between 1 – 8 December 2018; one in respect of £162 of sales relating to nine sleep masks. I also note that there is a fourth invoice dated after the relevant date in respect of three sleep masks;
- Thirteen receipts totalling £958 in respect of unspecified goods with customers identified by their email addresses.

28. Party A has not provided any turnover figures and in the absence of this I am left to assess the level of sales solely by reference to the above evidence. This shows sales totalling less than £6,500 for a period of just over a year before the relevant date.

29. It is clear that Party A was attempting to establish its business before the date in evidence of its first sale (in April 2018) and Ms Monk's witness statement includes a statement that it began selling silk sleep masks via Instagram and local markets around Glasgow and Edinburgh in 2017. However, there is no corroboratory evidence of these sales, their level or whether such sales were under the name

Sòlas. Therefore, this evidence fails to establish the existence of goodwill at this earlier time.

30. As a small business with its first documented sales in April 2018 (and then at a very modest level), it would have taken time before a goodwill that was more than trivial could be established. The question before me is whether that would have been achieved by the relevant date of 30 April 2019 on the back of sales of less than £6500. I note that:

- an article about Party A's business and products appeared in a winter supplement of The Herald newspaper drawing attention to its website being up and running but that with the exception of a small number of peaks, most notably around Christmas 2018, page views were very low at less than 30 per day. The Christmas "peak" appears to have been about £1000 in terms of sales;
- Of the £4300 sales attributable to Party A's Kickstarter Campaign only 2 pyjama sets, tops or bottoms fall under the claimed goodwill in respect of *fashion and textile design; clothing; retail of clothing*. Further sales of 37 scrunchies and 39 sleep masks potentially fall to be considered under the claimed scope of the goodwill but it could be argued that these are not *clothing*. In the region of £575 relates to other goods such as digital playlists, earrings and sleep sprays;
- As pointed out by Ms Blythe, many of the invoices/receipts do not specify the goods sold and it is clear from the evidence as a whole that Party A sells other goods such as the sleep sprays and digital playlists. Consequently, I cannot safely say what proportion of the sales relates to the claimed goodwill in respect of *fashion and textile design; clothing; retail of clothing*;
- The first use of the Sòlas sign shown in the evidence is in the social media posts relating to the Local Heroes event that took place between 12 July and 12 August 2018. Before that, the evidence shows Ms Monk or Ms Monk and Ms Mitchell as the trader.

31. Firstly, in respect to Mr Hannay's submission that the grant received by Party A from the Scottish Government is evidence of Party A's growing customer base. The letter from "Creative Scotland" confirming the grant does refer to Ms Monk's "already growing customer base". However, it provides no context and could still refer to a very small customer base. I reject this submission.

32. Taking all of the other points into account, whilst it is clear that Party A had some business activity at the relevant date and that this business was identified by the use of Sòlas (at least from 12 July 2018), this business was very small. Further the precise size and scope of the business is not possible to determine because of the absence of evidence of turnover and because many of the exhibits do not identify to what the sales relate. Therefore, I am unable to conclude that Party A's goodwill is anything more than trivial in extent and it has failed to demonstrate that it has the requisite "substantial goodwill".

33. I conclude that the ground based upon section 5(4)(a) fails for want of the requisite goodwill at the relevant date of 30 April 2019.

Section 3(6)

34. Section 3(6) of the Act states:

"(6) A trade mark shall not be registered if or to the extent that the application is made in bad faith."

35. The relevant case-law covering trade mark applications made in bad faith can be found in the following cases: *Chocoladefabriken Lindt & Sprüngli*, CJEU, Case C-529/07, *Malaysia Dairy Industries*, CJEU, Case C-320/12, *Koton*, CJEU, Case C104/18P, *Sky v Skykick*, CJEU, Case C-371/18, *Hotel Cipriani SRL and others v Cipriani (Grosvenor Street) Limited* and others, [2009] RPC 9 (approved by the Court of Appeal in England and Wales: [2010] RPC 16), *Trump International Limited v DDTM Operations LLC*, [2019] EWHC 769 (Ch), *Copernicus-Trademarks v EUIPO*, General Court of the EU, Case T-82/14, *Daawat Trade Mark*, The Appointed Person, [2003] RPC 11, *Saxon Trade Mark*, [2003] EWHC 295 (Ch), *Mouldpro ApS v EUIPO*,

General Court of the EU, Case T-796/17, *Alexander Trade Mark*, The Appointed Person, BL O/036/18, *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited* [2012] EWHC 1929 (Ch) and *Sky v Skykick* [2020] EWHC, 990 (Ch).

36. The law relevant to this case appears to be as follows:

(a) While in everyday language the concept of 'bad faith' involves a dishonest state of mind or intention, the concept of bad faith in trade mark law must be understood in the context of trade: *Sky* CJEU.

(b) Although it may be a relevant factor, the mere fact that the applicant knew that another party was using the trade mark in another territory does not establish bad faith: *Malaysia Dairy Industries*.

(c) Similarly, the mere fact that the applicant knew that another party used the trade mark in the UK does not establish bad faith: *Lindt, Koton* (paragraph 55). The applicant may have reasonably believed that it was entitled to apply to register the mark, e.g. where there had been honest concurrent use of the marks: *Hotel Cipriani*.

(d) However, an application to register a mark is likely to have been filed in bad faith where the applicant knew that a third party used the mark in the UK, or had reason to believe that it may wish to do so in future, and intended to use the trade mark registration to extract payment/consideration from the third party, e.g. to lever a UK licence from an overseas trader: *Daawat*, or to gain an unfair advantage by exploiting the reputation of a well-known name: *Trump International Limited*.

(e) An application may also have been filed in bad faith where the applicant acted in breach of a general duty of trust as regards the interests of another party, including his or her own (ex) company or (ex) partners, or a party with whom there is, or had recently been, a contractual or pre-contractual relationship, such as a licensor, prospective licensor or overseas principal: *Saxon*,

Mouldpro; or where a legal agreement prohibits such a filing.

37. The correct approach to the assessment of bad faith claims is as follows. According to *Alexander Trade Mark*, the key questions for determination in such a case are:

- (a) What, in concrete terms, was the objective that the applicant has been accused of pursuing?
- (b) Was that an objective for the purposes of which the contested application/registration could not be properly filed? and
- (c) Was it established that the contested application/registration was filed in pursuit of that objective?

38. Party B's intention (i.e. objective) is a subjective factor which must be determined objectively by the competent authority. An overall assessment is required, which must take account of all the factual circumstances relevant to the particular case: *Lindt*.

39. The matter must be judged at the relevant date, which is the date of the application for registration: *Lindt*.

40. It is necessary to ascertain what the applicant knew at the relevant date: *Red Bull*. Evidence about subsequent events may be relevant, if it casts light backwards on the position at the relevant date: *Hotel Cipriani*.

41. An allegation of bad faith is a serious allegation which must be distinctly proved, but in deciding whether it has been proved, the usual civil evidence standard applies (i.e. balance of probability). This means that it is not enough to establish facts which are as consistent with good faith as bad faith: *Red Bull*.

42. Part A/Party C's claim is that, on 18 September 2019, Party B issued threats of litigation that "will incur substantial expense" under the guise of a threat to oppose

Party C's application 3407250. It is contended that this amounts to an attempt to extort money by making unclear and unfamiliar financial demands. Mr Hannay also submitted that the letter casts light backwards in that it illustrates the character of Party B and sheds light upon the intentions of Party B when filing his application on 30 April 2019. It is also alleged that Party B had knowledge of Party A/C because of their Kickstarter Campaign.

43. Party B's evidence relevant to its defence of this claim can be summarised as follows:

- It is untrue that he was aware of Party A/Party C's crowdfunding campaign held in March 2019 and that he was planning on using the name SÒLAS before then²⁸. Mr Griffin-Parry states that he started thinking about a clothing business in around October 2018 and by 2 November 2018 he had engaged a brand designer²⁹. A quote from the brand designer is provided. It is entitled "Solas Collection Identity Quote" and identifies the "Brief" as "SOLAS Branding. Design for high streetwise clothing lable [sic]". The duration of the project is identified as being "delivered within 1 month" between 5 – 20 November 2018³⁰;
- A list of emails is provided³¹ that appears to be a screen shot of an email inbox. It shows a list of emails dated between "11/12/2018" and "25/02/2019" that Mr Griffin-Parry states relate to his preparations to launch the website solascollection.com, create photographic and video content incorporating the brand and manufacture products bearing the brand³². Only two refer to "Solas". The first from Lilly Marques (the brand designer) is entitled "Solas Graphic Design" and dated "11/12/2018"; the second is from Harry Vizor, dated "27/01/2019" and is entitled "Solas A/W '19 Designs";

²⁸ Mr Griffin-Parry's first witness statement ("Griffin-Parry WS1") (exhibited at JGP1 of his second witness statement), para. 5

²⁹ Ditto, para 6

³⁰ Exhibit JGP2

³¹ Exhibit JGP3

³² Griffin-Parry WS1, para 7

- In February 2019, Mr Griffin-Parry began discussing business and legal matters relating to the brand with David Vizer, a management and business consultant (and the father of one of Mr Griffin-Parry's friends)³³.
- Mr Vizer recommended that a company be set up to conduct the business under the brand and Solas Collection Limited was incorporated on 28 February 2019³⁴;
- Mr Vizer conducted a search of the UK Trade Mark register in Class 25 for the word SOLAS and informed Mr Griffin-Parry that no relevant hits appeared³⁵;
- By March 2019, numerous sample products had been ordered to start distributing products bearing the SOLAS mark³⁶. Two supplier invoices, dated 12 March 2019 and 24 April 2019, relating to design and development are provided but do not refer to SOLAS³⁷;
- On 2 September 2019, Mr Vizer alerted Mr Griffin-Parry by email that Party C had made its application. Pointing out the likely conflict he advised that he "must oppose the application"³⁸.

44. The filing of Party B's application is claimed to be part of an attempt to pursue the objective of extorting some of the proceeds of Party A/C's crowdfunding campaign. If this is proven, it would constitute a valid reason to conclude that Party B acted in bad faith.

45. Party B's evidence clearly shows that he was actively developing his Solas brand prior, not only to the relevant date in these proceedings, but also to the Kickstarter campaign of Party A/C. This undermines the claim that he had any knowledge of Party A/C at the relevant date. Further, there is nothing before me beyond bare assertion that illustrates that Party B had any knowledge, or was likely to have any knowledge, of the very limited references to Party A on social media or of its Kickstarter campaign.

³³ Ditto, para 8

³⁴ Ditto, para 9 and 10

³⁵ Ditto, para 11

³⁶ Ditto, para 13

³⁷ Exhibit JGP05

³⁸ Mr Griffin-Parry's WS1, para14 and Mr Vizer's email at Exhibit JGP06

46. In the absence of such knowledge existing, it renders irrelevant the point regarding the tone of the letter of 18 September 2019 because, if Party B had no knowledge of the activities of Party A, it cannot cast light backwards in the way contended by Party A.

47. Further, the timing of the letter, coming 19 days after the publication of Party C's application, is consistent with Party B taking action only after being made aware of Party A's existence when Mr Vizor sent an email to him on 2 September 2019 and with the purpose of putting Party A on notice of opposition proceedings. Therefore, the sending of the letter is consistent with Party B's legitimate objective. This further indicates that the letter does not cast light backwards to show that his mark was applied for in an effort to extort proceeds from Party A/C's Kickstarter campaign.

48. Taking these points into account, I conclude that the circumstances relied upon by Party A as illustrating that Party B made his application in bad faith, in fact, illustrate a legitimate business activity of attempting to protect a mark that was part of a brand being developed. This is an activity that is consistent with Party B's case that he had no knowledge of Party A's activities at that time. Therefore, the filing of Party B's application is an action that is consistent with good faith and Party A's claim that Party B was acting in bad faith is dismissed.

Summary in respect of Party A's Invalidation

49. The grounds based upon section 5(4)(a) and section 3(6) both fail and Party B's application can proceed to registration.

Party B's Opposition

50. Mr Hannay expressed the view that the opposition "hangs on the goodwill in the invalidation". This issue is no longer in play because Ms Blythe informed me that Party B was no longer pursuing the section 5(4)(a) grounds. Further, even if Party C had a defence to the ground under section 5(4)(a), it would have had no impact upon

the ground based upon section 5(2)(b). Therefore, I dismiss Mr Hannay's submission.

51. Ms Blythe submitted that the outcome of the opposition will follow the outcome of the invalidation, i.e. if the invalidation failed, as it has, the opposition will succeed. I agree and I explain my reasons briefly below.

52. I find it convenient to briefly discuss the ground based upon section 5(2)(b) first.

Section 5(2)(b)

53. Section 5(2)(b) states:

“5. - (1) ...

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

(a) ...

(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

54. In the judgment of the Court of Justice of the European Union (“the CJEU”) in *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, Case C-39/97, the court stated at paragraph 23 of its judgment that:

“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”.

55. The relevant factors identified by Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, for assessing similarity were:

- (a) The respective uses of the respective goods or services;
- (b) The respective users of the respective goods or services;
- (c) The physical nature of the goods or acts of service;
- (d) The respective trade channels through which the goods or services reach the market;
- (e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be, found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;
- (f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.

56. In *Gerard Meric v Office for Harmonisation in the Internal Market (MERIC)*, Case T-133/05, the General Court (“the GC”) stated that:

“29. In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by trade mark application (Case T-388/00 Institut fur Lernsysteme v OHIM- Educational Services (ELS) [2002] ECR II-4301, paragraph 53) or where the goods designated by the trade mark application are included in a more general category designated by the earlier mark”.

57. It is self-evident that keeping in mind the above guidance, particularly that from *Meric*, all of Party C’s goods are covered by one or more of the broad terms

Clothing, Footwear, children's headwear or Sleepwear in Party B's specification. Therefore, the respective goods are identical.


Comparison of marks

58. It is clear from *Sabel BV v. Puma AG*, Case C-251/95 (particularly paragraph 23), Case C-251/95, 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 CJEU stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

“.....it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.”

59. It would be wrong, therefore, to artificially dissect the marks, although it is necessary to take account of the distinctive and dominant components of the marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks.

60. The respective marks are:

Party B's mark	Party C's mark
SOLAS solas Solas (series of 3 marks)	

61. Party B's registration consists of a series of 3 marks that differ only in the use of a capital first letter and/or whether they are in lower or upper case. Nothing turns upon these minor variations that do not change the distinctive character of the mark. Therefore, for convenience, I will restrict my analysis to the level of similarity between Party C's mark and Party B's first mark.

62. The marks of both parties consist of single, five letter words and it is self-evident that these constitute the dominant and distinctive element of both marks.

63. There is a high level of visual similarity with the only difference between the two marks being the slight stylisation of the font in Party C's mark and the accent over the letter "O". Aurally, the marks appear to be identical. Some UK consumers may be aware that the accent over the letter "O" in Party C's mark has an influence on its pronunciation, but there is nothing before me to suggest that this results in different aural characteristics. Even if this were the case, the marks would remain aurally very highly similar.

64. In Party C's evidence there is a narrative explaining its choice of word "solas" (without the accent) having a meaning of "light" in Gaidhlig and the word "Sòlas" meaning "comfort and joy"³⁹. However, there is nothing before me to suggest that anything other than a very small minority of the UK consumer will be aware of this. The marks are likely to be perceived by the average UK consumer as invented words. In the absence of a conceptual meaning, the respective marks are conceptually neutral.

Average consumer and the purchasing act

65. 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*.

³⁹ Ms Monk's witness statement, para 2

66. All the goods in issue can be described as clothing, footwear or headwear. Such goods are purchased with their aesthetics, feel and fit in mind. The purchasing act is primarily visual in nature being selected from physical displays or their online equivalent. Such goods are regular purchases made by the general public where there is some care and attention taken but not of the highest level.

Distinctive character of Party A's earlier mark

67. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97 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).”

68. There is no claim to an enhanced level of distinctive character through use but, as an invented word, the earlier mark is endowed with a reasonably high level of inherent distinctive character.

Global Assessment – Conclusions on Likelihood of Confusion

69. The following principles are obtained from the decisions of the CJEU 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:

(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.

70. The factors assessed so far have a degree of interdependency (*Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc*, paragraph 17), a global assessment of them must be made when determining whether there exists a likelihood of confusion (*Sabel BV v. Puma AG*, paragraph 22). These factors must be assessed from the viewpoint of the average consumer. Confusion can be direct (which occurs when the average consumer mistakes one mark for the other) or indirect (where the average consumer realises the marks are not the same but puts the similarity that exists between the marks and goods down to the responsible undertakings being the same or related).

71. I have found that:

- The respective goods are identical;
- the dominant distinctive element of the respective marks is the single word SOLAS or SÒLAS. The distinctive character of both marks resides in these words;
- the respective marks share a high level of visual similarity, are aurally identical but do not have a conceptual identity and are, therefore, conceptually neutral;
- the average consumer is the general public;
- there is some care and attention taken, but not of the highest level, by the average consumer during the purchasing process, which is likely to be visual in nature;
- the earlier mark has a reasonably high level of inherent distinctive character and this is not enhanced through use.

72. Taking all these factors into account and in particular the high level of visual similarity between the marks and the fact that the respective goods are identical, I have little hesitation in finding a likelihood of confusion.

73. In summary, having taken account of all the factors necessary for the global analysis, I find that the section 5(2)(b) ground succeeds in its entirety.

Section 5(1)

74. The claim under section 5(2)(b) is not one of identical marks. I have found that the opposition has been wholly successful under that ground. Consequently, as this ground must have been pleaded in the alternative, that there is no need for me to determine this ground.

Summary

75. Party A's application for the invalidation of Party B's mark no. 3395714 fails in its entirety. Party B's opposition to Party C's application no. 3407250 succeeds in respect of all the goods and the application is refused in its entirety.

COSTS

76. Party B has been successful in the defence of the invalidation proceedings and in his opposition against Party C's application. Consequently, he would normally be entitled to a contribution towards his costs. Ms Blythe requested scale costs but Mr Hannay:

- referred me to the interim decision relating to a Joint Hearing held in respect of these proceedings;
- submitted that the behaviour of Party B has not changed (since the Joint Hearing) and claiming that the dropping of the section 5(4)(a) grounds in his opposition at the hearing "is not normal behaviour";
- submitted that Party B provided irrelevant evidence that post-dated the relevant date in respect of the dropped grounds, and;
- in light of these last two points he requested actual costs in respect of Party C's preparation relating to the section 5(4)(a) ground in the opposition.

77. In respect of the second point, Ms Blythe submitted that the section 5(4)(a) case was dropped at such a late stage because until the other side's evidence came in, there may have been a need to demonstrate who was "the first user". It became clear from Party A's evidence that they were the first user and the decision was taken not to pursue the section 5(4)(a) grounds. This does not explain why it was left to the hearing before it was dropped but, nevertheless, it appears that this has not resulted in additional work for the other side other than the rebuttal prepared in Mr Hannay's skeleton argument. It is my view that this can be taken care of within a scale costs order and I reject a claim for off-scale costs in respect of this point.

78. In respect of the third point, Ms Blythe submitted that the irrelevant evidence criticism “cuts both ways” and pointed to the other side’s evidence that includes evidence that is “at best tangential”. I agree that there is nothing in this point and that both sides evidence included information that did not assist their case.

79. In respect of the first point, my colleague, Mr Bowen, issued the decision BL O-202-20 and his relevant comment is reproduced below:

“31. At the hearing, Mr Hannay confirmed that if my decision was to allow the proceedings to continue, his client sought their actual costs. The applicants are, I agree, entitled to an award of actual costs occasioned by VLL’s error. Although this appears to me to relate solely to the time spent on their preparation for and attendance at the hearing, the bill which must be provided by the applicants at the appropriate time (see below), should include all categories of work for which the applicants are seeking their actual costs, a request upon which Mr Griffin-Parry will, of course, have the right to comment. As both parties agreed that any costs award should be determined at the conclusion of the proceedings, no further action is required at this time.”

80. Consequently, before I determine appropriate costs for the complete consolidated proceedings, I invite Parties A and C to provide the bill relating solely to the time spent on the preparation for, and attendance at, the Joint Hearing. This must be provided within 14 days of the date of this decision. If Party B wishes to comment upon the costs claimed, he must do so within a further 14 days. I will then issue a supplementary decision on costs.

Dated this 8th day of February 2021

Mark Bryant
For the Registrar
The Comptroller-General