

O/0212/23

TRADE MARKS ACT 1994

CONSOLIDATED PROCEEDINGS

IN THE MATTER OF APPLICATION NOS. 3648359 & 3648398
BY GUY LOCHNER
IN CLASS 5

AND IN THE MATTER OF OPPOSITIONS THERETO
UNDER NOS. 427777 & 427778
BY AALU LTD

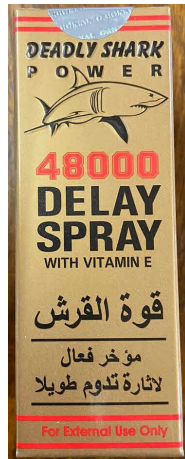
AND

IN THE MATTER OF REGISTRATION NO. 3595066
IN THE NAME OF AALU LTD
IN CLASS 5

AND AN APPLICATION FOR A DECLARATION OF INVALIDITY THERETO
UNDER NO. 504101
BY GUY LOCHNER

Background and pleadings

1. On 28 May 2021, Guy Lochner applied to register the figurative trade mark displayed below in the UK, under number 3648359. Details of the application were published for opposition purposes on 30 July 2021. Registration is sought for ‘*delay spray and cream*’ in class 5.



(“the 359 mark”)

2. On the same date, Mr Lochner also applied to register the figurative trade mark shown below in the UK, under number 3648398. Details of the application were published for opposition purposes on 30 July 2021. Registration is sought for ‘*delay cream*’ in class 5.



(“the 398 mark”)

3. On 26 October 2021, Aalu Ltd (“Aalu”) opposed both applications in full. The opposition against the 359 mark is brought under sections 5(2)(a) and 5(2)(b) of the Trade Marks Act 1994 (“the Act”), whereas the opposition against the 398 mark is based upon section 5(2)(b) of the Act. In both oppositions, Aalu relies upon its UK trade mark number 3595066, which is displayed below. It was filed on 12 February 2021 and became registered on 18 June 2021. All of the goods of the registration are relied upon in both oppositions, namely, ‘*delay spray for men*’ in class 5.



(“the 066 mark”)

4. Given the respective filing dates, the 066 mark is an earlier mark in accordance with section 6 of the Act. As it had not completed its registration process more than five years before the filing date of the contested marks, it is not subject to the proof of use provisions specified in section 6A of the Act. Consequently, Aalu is entitled to rely upon the goods of the earlier mark, without having to demonstrate genuine use.

5. In its notices of opposition, Aalu argues that the 359 mark is identical or similar to the 066 mark and the parties’ respective goods are identical and similar. Moreover, it contends that the 398 mark is similar to the 066 mark and that the parties’ respective goods are identical and similar. Based upon these factors, Aalu submits that there is a likelihood of confusion on the part of the public.

6. Mr Lochner filed counterstatements in which he admitted that the respective marks are similar and that the parties' respective goods are identical or similar. However, attention was drawn to ongoing invalidation proceedings initiated by Mr Lochner against the 066 mark.

7. On 1 September 2021, Mr Lochner had made an application to invalidate the 066 mark pursuant to section 47 of the Act. The application is based upon sections 5(4)(a) and 3(6) of the Act.

8. Under the 5(4)(a) ground, Mr Lochner claims to have a protectable goodwill in relation to which he has used a sign which is identical to the 359 mark ("the DEADLY SHARK sign") throughout the UK since January 2014. Mr Lochner claims to have used the DEADLY SHARK sign in relation to '*delay spray and cream (sexual)*'. He argues that the 066 mark is identical to the DEADLY SHARK sign and, as such, use of the 066 mark would give rise to misrepresentation and damage.

9. As for his claim under section 3(6), Mr Lochner contends that the 066 mark is a copy of the DEADLY SHARK sign and, at the time of filing, Aalu was fully aware that it was not the true proprietor of the mark. Mr Lochner claims that the 066 mark is a counterfeit product and that the application to register it was made in bad faith.

10. Aalu filed a counterstatement denying both grounds of invalidation.

11. On 6 April 2022, the proceedings were consolidated pursuant to rule 62(1)(g) of the Trade Marks Rules 2008.

12. Mr Lochner is professionally represented by Wilson Gunn, whereas Aalu represents itself. Both parties filed evidence in these proceedings. Neither party requested a hearing and only Mr Lochner elected to file written submissions in lieu of attendance. This decision is taken following a careful perusal of all the papers before me, keeping all submissions in mind.

13. Although the UK has left the EU, section 6(3)(a) of the European Union (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 Act relied upon in these proceedings are derived from an EU Directive and, therefore, this decision continues to refer to the trade mark case law of the EU courts.

Evidence and submissions

14. Mr Lochner's evidence is given in his witness statement dated 19 August 2022 and four exhibits (GL1 to GL4). He gives evidence as to his use of the DEADLY SHARK sign.

15. As noted above, Mr Lochner also filed written submissions in lieu of a hearing.

16. Aalu's evidence consists of the witness statement of Shaheer Siddiqui, dated 23 June 2022 and seven accompanying exhibits. Shaheer Siddiqui gives evidence as to Aalu's intentions in applying for the 066 mark and previous dealings between the parties.

17. I have read all of the evidence and submissions and will return to them to the extent I consider necessary in the course of this decision.

My approach

18. As the 066 mark is the sole earlier right relied upon by Aalu in its oppositions against the 359 and 398 marks, it is convenient to first deal with Mr Lochner's application to invalidate the 066 mark. I will then return to consider Aalu's oppositions, should it become necessary to do so.

Application to invalidate the 066 mark

Section 5(4)(a)

19. Section 5(4)(a) has application in invalidation proceedings by virtue of section 47 of the Act, the relevant parts of which read as follows:

“47. (1) [...]

(2) Subject to subsections (2A) and (2G), 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.

[...]

(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.

(5A) An application for a declaration of invalidity may be filed on the basis of one or more earlier trade marks or other earlier rights provided they all belong to the same proprietor.

(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.”

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

“(4) 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, where the condition in subsection (4A) is met,

(aa) [...]

(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.”

21. 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.”

22. 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)."

23. Halsbury's Laws of England Vol. 97A (2021 reissue) provides further guidance with regard to establishing the likelihood of deception. In paragraph 636 it is noted (with footnotes omitted) that:

"Establishing a likelihood of deception generally requires the presence of two factual elements:

(1) that a name, mark or other distinctive indicium used by the claimant has acquired a reputation¹ 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 indicium 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 two successive hurdles which the claimant must surmount, consideration of these two aspects cannot be completely separated from each other.

The question whether deception is likely is one for the court, which 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 claimant and the defendant carry on business;

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

(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 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”.

Relevant date

24. In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, Case 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.’”

25. There has been no claim by Aalu that the 066 mark had been used prior to the filing date of the 066 mark, that being 12 February 2021. Moreover, no evidence has been adduced to that effect. Therefore, that is the relevant date for assessing Mr Lochner's claim under section 5(4)(a).

Goodwill

26. The first hurdle for Mr Lochner is to show that he had the necessary goodwill resulting from the trading activity relied on under the DEADLY SHARK sign at the relevant date. Goodwill was described in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL), in the following terms:

"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."

27. In *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19 (HC), Pumfrey J stated:

"27. There is one major problem in assessing a passing of claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent's reputation extends to the goods comprised in the applicant's specification of goods. The requirements of the objection itself are considerably more stringent than the enquiry under s.11 of the 1938 Act (see *Smith Hayden & Co. Ltd's Application (OVAX)* (1946) 63 R.P.C. 97 as qualified by *BALI Trade Mark [1969] R.P.C. 472*). Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.

28. Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed to the relevant date. Once raised, the applicant must rebut the prima facie case. Obviously, he does not need to show that passing off will not occur, but he must produce sufficient cogent evidence to satisfy the hearing officer that it is not shown on the balance of probabilities that passing off will occur.”

28. However, in *Minimax GmbH & Co KG v Chubb Fire Limited* [2008] EWHC 1960 (Pat), Floyd J (as he then was) stated that:

“[The above] observations are obviously intended as helpful guidelines as to the way in which a person relying on section 5(4)(a) can raise a case to be answered of passing off. I do not understand Pumfrey J to be laying down any absolute requirements as to the nature of evidence which needs to be filed in every case. The essential is that the evidence should show, at least prima facie, that the opponent's reputation extends to the goods comprised in the application in the applicant's specification of goods. It must also do so as of the relevant date, which is, at least in the first instance, the date of application.”

29. In *Hart v Relentless Records* [2002] EWHC 1984 (Ch), Jacob J (as he then was) stated that:

“62. In my view the law of passing off does not protect a goodwill of trivial extent. Before trade mark registration was introduced in 1875 there was a right of property created merely by putting a mark into use for a short while. It was an unregistered trade mark right. But the action for its infringement is now barred by s.2(2) of the Trade Marks Act 1994. The provision goes back to the very first registration Act of 1875, s.1. Prior to then you had a property right on which you could sue, once you had put the mark into use. Even then a little time was needed, see per Upjohn L.J. in *BALI Trade Mark* [1969] R.P.C. 472. The whole point of that case turned on the difference between what was needed to establish a common law trade mark and passing off claim. If a trivial goodwill is enough for the latter, then the difference between the two is vanishingly small.

That cannot be the case. It is also noteworthy that before the relevant date of registration of the BALI mark (1938) the BALI mark had been used “but had not acquired any significant reputation” (the trial judge's finding). Again that shows one is looking for more than a minimal reputation.”

30. In *Smart Planet Technologies, Inc. v Rajinda Sharma* (Case BL O/304/20), Mr Thomas Mitcheson QC, as the Appointed Person, reviewed the following authorities about the establishment of goodwill for the purposes of passing-off: *Starbucks (HK) Ltd v British Sky Broadcasting Group Plc* [2015] UKSC 31, paragraph 52, *Reckitt & Colman Product v Borden* [1990] RPC 341, HL and *Erven Warnink B.V. v. J. Townend & Sons (Hull) Ltd* [1980] R.P.C. 31. After reviewing these authorities, Mr Mitcheson concluded that:

“[...] 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.”

31. Mr Lochner gives evidence that he is the director of The-Pleasure-Dome.co.uk Limited (“Pleasure Dome”) and Avrupa Limited (“Avrupa”). He says that Pleasure Dome is a UK retailer of, *inter alia*, creams and sprays for use in connection with sexual pleasure.¹ Further, he states that Pleasure Dome and Avrupa are part of the same overall business selling these goods.

32. According to Mr Lochner, one of the products that has been sold under the ‘DEADLY SHARK’ brand for many years is a sexual delay spray and cream.² He provides a printout from Pleasure Dome’s UK website,³ which shows delay sprays for sale; the product packaging features the DEADLY SHARK sign. The printout is dated 19 August 2022, i.e. after the relevant date. A further printout of the website, obtained

¹ Witness statement of Guy Lochner, §2

² Lochner, §6

³ Exhibit GL1

using the Wayback Machine, is in evidence.⁴ A delay spray, with packaging featuring the DEADLY SHARK sign, is offered for sale. Whilst the exhibit is not dated, Mr Lochner says that it shows the position in 2018.⁵ A printout of a Pleasure Dome Instagram post has also been exhibited.⁶ The DEADLY SHARK sign is clearly visible on the packaging of a delay spray product. The post is dated 18 August 2020 and has 9 likes.

33. Mr Lochner claims that there have been significant sales of ‘DEADLY SHARK’ products over several years.⁷ A selection of invoices relating to sales of the same between 27 September 2017 and 7 April 2021 are in evidence.⁸ The invoices were sent from Pleasure Dome and Avrupa to customers in Birmingham, Newcastle, Southampton, Cardiff, Wrexham, West Ealing, West Sussex, Lancashire and Essex. From the invoices which are dated before the relevant date, the following turnover information can be extrapolated:

Year	Units	Turnover (£)
2017	12	83.73
2018	100	385.40
2019	140	617.53
2020	182	1,002.52
2021	50	365.00
Total	484	2,454.18

34. A financial statement from eBay for business conducted by Pleasure Dome on the platform in February 2021 is also in evidence.⁹ This shows the sale of, *inter alia*, ‘DEADLY SHARK’ branded delay creams. Mr Lochner says these sales were made in the UK.¹⁰ An additional £239.76 was generated from these sales. However, I note that the product names on eBay included other marks (for example, “Delay creams Viga

⁴ Exhibit GL2

⁵ Lochner, §7

⁶ Exhibit GL2

⁷ Lochner, §8

⁸ Exhibit GL3

⁹ Exhibit GL4

¹⁰ Lochner, §11

150000 Viga 84000 Deadly Shark ... (1 item)"). This suggests that multiple products bearing various marks were part of each sale for one price. It is not clear what proportion of each sale related only to 'DEADLY SHARK' products.

35. I recognise that it is possible for different entities to enter into agreements whereby any goodwill in a trade mark generated by one may be owned by, or accrue to, another. However, in the absence of such an agreement, the goodwill of a business is owned by the entity that customers perceive as being responsible for the trade.¹¹ On the balance of the evidence, I am not satisfied that any goodwill resulting from trading activities connected with the DEADLY SHARK sign would be accrued by the named cancellation applicant, Mr Lochner. Firstly, there is no evidence of an agreement to that effect, such as, for example, the articles of association of the companies or specific agreements on the matter of goodwill. There is also no evidence to demonstrate that customers would be aware of any connection between these entities and Mr Lochner. The email address listed for customer queries on Pleasure Dome's website was "sales@the-pleasure-dome.co.uk". Moreover, the post on Instagram was made by an account named thepleasuredome.co.uk. I note that the invoices were all sent to customers in the name of Pleasure Dome and Avrupa, and the email addresses given for queries relating to the invoices are "sales@the-pleasure-dome.co.uk" and "sales@avrupaonline.co.uk". The financial statement from eBay is addressed to the username "the-pleasure-dome" and business name "The-Pleasure-Dome.co.uk Limited". Based upon the evidence provided, I am not satisfied that, upon purchasing the goods, customers would see Mr Lochner as the entity responsible for those goods. Rather, it is my view that customers would identify either Pleasure Dome or Avrupa as the responsible entities. Whilst I accept that Mr Locher is the director of both companies, it is unlikely that customers would be aware of this or, for instance, seek to find the individual(s) responsible for them by undertaking searches on company databases. Taking all of this into account, I find that the evidence provided does not assist Mr Lochner in establishing goodwill in the DEADLY SHARK sign under the section 5(4)(a) ground of their application.

¹¹ *MedGen Inc v Passion for Life* [2001] FSR 30

36. Even if I proceeded on the basis that any goodwill would accrue to Mr Locher as an individual, to my mind, the evidence is insufficient to demonstrate protectable goodwill in the UK. Although I recognise that a small business which has more than a trivial goodwill can protect signs which are distinctive of that business under the law of passing off even though its goodwill and reputation may be small,¹² I consider that the evidence filed by Mr Locher is far from extensive. Mr Lochner has provided no details as to the size of the relevant market, or his share of the same. The invoices and the financial statement from eBay, whilst demonstrating that at least some 'DEADLY SHARK' branded products were purchased by consumers across the UK prior to the relevant date, suggest an extremely limited turnover; the evidence indicates that around £2,500 has been generated from the sale of less than 500 products across a five-year period. Even without market share information, it is likely that such figures would represent a very small proportion of the market. In addition, whilst a number of the invoices are sent to the same locations (such as, for example, Halsall, Lancashire), I am unable to conclude that this is evidence of repeat custom; the customer details have been redacted and, absent an explanation from Mr Lochner to that effect, I do not consider it appropriate to infer that this was the case. Moreover, there is a distinct lack of evidence of any advertising or marketing efforts being conducted in relation to the DEADLY SHARK sign prior to the relevant date. The sole example of social media activity is also far from compelling. The post had 9 likes and, therefore, does not appear to have reached a significant number of individuals. Further, no details have been provided as to how many followers the Pleasure Dome account has or, more pertinently, how many of those are based in the UK. In light of all of the above, it is my view that the evidence provided falls well short of what I consider to be necessary to establish sufficient goodwill to maintain a claim of passing off. As noted in the case law cited above, the burden is on Mr Lochner to prove goodwill. I am not satisfied that he has done so.

Conclusion

37. The application under section 5(4)(a) is dismissed.

¹² *Lumos Skincare Limited v Sweet Squared Limited and others* [2013] EWCA Civ 590

Section 3(6)

38. Section 3(6) has application in invalidation proceedings by virtue of section 47 of the Act, the relevant parts of which state:

“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). Where the trade mark was registered in breach of subsection (1)(b), (c) or (d) of that section, it shall not be declared invalid if, in consequence of the use which has been made of it, it has after registration acquired a distinctive character in relation to the goods or services for which it is registered.

[...]

(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.”

39. 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.”

40. In *Sky Limited & Ors v Skykick, UK Ltd & Ors*, [2021] EWCA Civ 1121 the Court of Appeal considered the case law from *Chocoladefabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH*, Case C-529/07 EU:C:2009:361, *Malaysia Dairy Industries*

Pte. Ltd v Ankenævnetfor Patenter Varemærker Case C-320/12, EU:C:2013:435, *Koton Mağazacılık Tekstil Sanayi ve Ticaret AŞ*, Case C-104/18 P, EU:C:2019:724, *Hasbro, Inc. v EUIPO, Kreativni Dogaaji d.o.o. intervening*, Case T-663/19, EU:2021:211, *pelicantravel.com s.r.o. v OHIM, Pelikan Vertriebsgesellschaft mbH & Co KG (intervening)*, Case T-136/11, EU:T:2012:689, and *Psytech International Ltd v OHIM, Institute for Personality & Ability Testing, Inc (intervening)*, Case T-507/08, EU:T:2011:46. It summarised the law as follows:

“67. The following points of relevance to this case can be gleaned from these CJEU authorities:

1. The allegation that a trade mark has been applied for in bad faith is one of the absolute grounds for invalidity of an EU trade mark which can be relied on before the EUIPO or by means of a counterclaim in infringement proceedings: *Lindt* at [34].

2. Bad faith is an autonomous concept of EU trade mark law which must be given a uniform interpretation in the EU: *Malaysia Dairy Industries* at [29].

3. The concept of bad faith presupposes the existence of a dishonest state of mind or intention, but dishonesty is to be understood in the context of trade mark law, i.e. the course of trade and having regard to the objectives of the law namely the establishment and functioning of the internal market, contributing to the system of undistorted competition in the Union, in which each undertaking must, in order to attract and retain customers by the quality of its goods or services, be able to have registered as trade marks signs which enable the consumer, without any possibility of confusion, to distinguish those goods or services from others which have a different origin: *Lindt* at [45]; *Koton Mağazacılık* at [45].

4. The concept of bad faith, so understood, relates to a subjective motivation on the part of the trade mark applicant, namely a dishonest

intention or other sinister motive. It involves conduct which departs from accepted standards of ethical behaviour or honest commercial and business practices: *Hasbro* at [41].

5. The date for assessment of bad faith is the time of filing the application: *Lindt* at [35].

6. It is for the party alleging bad faith to prove it: good faith is presumed until the contrary is proved: *Pelikan* at [21] and [40].

7. Where the court or tribunal finds that the objective circumstances of a particular case raise a rebuttable presumption of lack of good faith, it is for the applicant to provide a plausible explanation of the objectives and commercial logic pursued by the application: *Hasbro* at [42].

8. Whether the applicant was acting in bad faith must be the subject of an overall assessment, taking into account all the factors relevant to the particular case: *Lindt* at [37].

9. For that purpose it is necessary to examine the applicant's intention at the time the mark was filed, which is a subjective factor which must be determined by reference to the objective circumstances of the particular case: *Lindt* at [41] – [42].

10. Even where there exist objective indicia pointing towards bad faith, however, it cannot be excluded that the applicant's objective was in pursuit of a legitimate objective, such as excluding copyists: *Lindt* at [49].

11. Bad faith can be established even in cases where no third party is specifically targeted, if the applicant's intention was to obtain the mark for purposes other than those falling within the functions of a trade mark: *Koton Mağazacılık* at [46].

12. It is relevant to consider the extent of the reputation enjoyed by the sign at the time when the application was filed: the extent of that reputation may justify the applicant's interest in seeking wider legal protection for its sign: *Lindt* at [51] to [52].

13. Bad faith cannot be established solely on the basis of the size of the list of goods and services in the application for registration: *Psytech* at [88], *Pelikan* at [54]".

41. It is necessary to ascertain what Aalu knew at the relevant date.¹³ Evidence about subsequent events may be relevant, if it casts light backwards on the position at the relevant date.¹⁴ The relevant date is the filing date of the 066 mark, that being 12 February 2021.

42. 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.¹⁵

43. According to *Alexander Trade Mark*, Case BL O/036/18, the key questions for determination in a claim of bad faith 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 could not be properly filed? and

(c) Was it established that the contested application was filed in pursuit of that objective?

¹³ *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited* [2012] EWHC 1929 (Ch)

¹⁴ *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).

¹⁵ *Red Bull*

44. Mr Lochner's pleaded case under this ground is as follows:

"[The 066 mark] is a copy of [the DEADLY SHARK sign]. At the time of filing the application [Aalu] was fully aware that it was not the true proprietor of the mark. [The 066 mark] is a counterfeit product.

The application has clearly been filed and the registration obtained in bad faith for all of the goods in class 5. Evidence will be filed in the proceedings to prove this claim. The evidence will show the earlier rights of [Mr Lochner] and will prove that [the 066 mark] is a counterfeit product sourced from China."

45. Mr Lochner's evidence has been summarised above at paragraphs 31 to 34.

46. In his written submissions in lieu of a hearing, Mr Lochner argued that:

"[The 066 mark] is identical to [the DEADLY SHARK sign]. Both are representations of packaging.

[The 066 mark] is essentially a photograph of a counterfeit product.

[The 066 mark] and [the DEADLY SHARK sign] are so similar that it is without doubt that [Aalu] must have been aware of [Mr Lochner's] sign at the time of filing the application.

The goods are identical.

[Aalu] has acted in bad faith at the time of filing the application for registration. [Aalu's] intention at the time of filing the application was dishonest. [Aalu] has filed an application to register a mark that it knows belongs to a third party.

[Aalu's] actions fall below the standard expected in honest commercial practices. The intention is to interfere or block use of the mark/sign by [Mr Lochner]."

47. Within its counterstatement, Aalu stated as follows:

“The cancellation applicant is well known on ebay that he always tried to registred third party products which are hot selling on ebay and want to sell alone and these products is flodded in market. [...] My intention was clear that I want to sell this product without being reported on ebay because cancellation applicant is misusing his other marks to report on mine and other seller's listing on ebay. In Q4 cancellation applicat claimed that my mark is copy/counterfiet. My mark is available on many different online platform for sale. Cancellation applicant has already done enough damage to mine other sellers businees by just registring the third party products. Bad faith is when I am not selling the product and stopping everyone to sell. But I and other sellers are still selling this product and will be selling in future. In section 3(6) cancellation applicant claimed that my product is counterfiet which I deny this claim. [...] Cancellation applicant has clearly filed the cancellation in bad faith. [...]” (sic)

48. Shaheer Siddiqui gives evidence that they applied for another trade mark due to Mr Lochner’s alleged misuse of another registration and reporting facilities on eBay.¹⁶ According to Shaheer Siddiqui, Mr Lochner wants to stop Aalu and third parties from selling products which he falsely claims to own.¹⁷ They state that Mr Lochner has reported Aalu to eBay in relation to other trade marks and listings.¹⁸ Shaheer Siddiqui believes that, from the evidence provided, it is clear that Mr Lochner has a history of attempting to register third-party trade marks to misuse them.¹⁹

49. I note that Aalu’s documentary evidence consists of the following:

- Emails from eBay (2020),²⁰ stating that “Your account has been restricted because activity on it didn't follow our VeRO Unauthorised Item Policy”, “Your listing didn't follow our VeRO Unauthorised Item Policy” and “Unauthorised

¹⁶ Witness statement of Shaheer Siddiqui, §3

¹⁷ Siddiqui, §4

¹⁸ Siddiqui, §4

¹⁹ Siddiqui, §4

²⁰ Exhibits 1 and 2

copies or counterfeits are illegal and not allowed on eBay”. They indicate that listings for product names containing the word ‘Viga’ were reported by Avrupa Ilac Kozmetik Ltd.

- Emails from eBay (2020),²¹ in which it advised that “We had to remove your listing because it didn’t follow our VeRO Unauthorised Item Policy”, “Your listing didn’t follow our VeRO Unauthorised Item Policy” and “Unauthorised copies or counterfeits are illegal and not allowed on eBay”. The emails indicate that listings for ‘TITAN’ branded products were reported by Avrupa Ilac Kozmetik Ltd.
- An email from eBay (2020),²² confirming that a listing was reported by Avrupa Ilac Kozmetik Ltd in error.
- A printout from a listing on alibaba.com for ‘DEADLY SHARK’ branded delay spray.²³ The printout is undated, though the listing suggests it is from 2022. Prices are given in dollars.
- A decision of the Registrar (BL O/258/19), arising from prior proceedings between two third parties.²⁴ The decision concerned a successful opposition against a figurative ‘TITAN GEL’ mark. I note that the application was originally made by Guy Lochner before a sequence of assignments before the end of those proceedings.

50. As can be seen from the above, Mr Lochner has essentially accused Aalu of copying the DEADLY SHARK sign and applying to register it as a trade mark in the knowledge that it was not the true proprietor. However, whilst it may be a relevant factor, the mere fact that an applicant knew that another party used the trade mark in the UK does not establish bad faith.²⁵ Moreover, I do not consider that it has been established that the 066 mark was filed in pursuit of this alleged objective. Mr

²¹ Exhibits 3 and 4

²² Exhibit 5

²³ Exhibit 6

²⁴ Exhibit 7

²⁵ *Lindt, Koton*

Lochner's evidence suggests that, prior to the relevant date, there had been some commercial use of the DEADLY SHARK sign in the UK in relation to delay sprays and creams. However, his evidence is directed solely at proving goodwill; it includes nothing which points towards Aalu's intentions at the relevant date and nothing which establishes that a) Aalu was aware of Mr Lochner's alleged use of the sign (through Pleasure Dome and Avrupa), or b) Aalu was aware that it was not the true proprietor of the sign. Moreover, whilst the 066 mark is identical (or at least highly similar) to the DEADLY SHARK sign, Mr Lochner has provided no evidence to support his accusation that Aalu has copied it. In any event, there must be objective indicia pointing towards bad faith for such a finding to be made. I note that Mr Lochner's claim that Aalu's intention was to interfere or block his use of the sign was not raised until the final submissions stage. Therefore, it has not strictly been pleaded and Aalu has not had a fair opportunity to respond to it. However, even if this argument had been properly pleaded, I do not consider that it would be of any assistance to Mr Lochner. There is a distinct lack of evidence from Mr Lochner establishing that this was, indeed, Aalu's intention; there is nothing in Mr Lochner's evidence that would lead me to find, on the balance of probabilities, that this was the case. As the case law above makes clear, bad faith is a serious allegation which must be distinctly proved. It is for the party alleging it to prove it; until then, good faith is presumed. If and when a *prima facie* case has been made out, the question of the other party's rebuttal becomes relevant. Based upon Mr Lochner's pleadings and evidence, I am not satisfied that he has established the existence of a *prima facie* case of bad faith. Mr Lochner's claim must, therefore, fail.

Conclusion

51. The application under section 3(6) is also dismissed.

The oppositions to the 359 and 398 marks

The law

52. Sections 5(2)(a), 5(2)(b) and 5A of the Act read as follows:

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

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

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

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

“5A Where grounds for refusal of an application for registration of a trade mark exist in respect of only some of the goods or services in respect of which the trade mark is applied for, the application is to be refused in relation to those goods and services only.”

53. 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:

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

(b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;

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

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

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

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

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

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

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

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

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

Comparison of goods

54. In *Canon*, the Court of Justice of the European Union (“CJEU”) stated at paragraph 23 of its judgment that:

“In assessing the similarity of the goods or services concerned, [...] 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 *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 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. Moreover, the law requires that goods be considered identical where one party's description of its goods encompasses the specific goods covered by the other party's description (and vice versa).²⁶

57. The goods to be compared are as follows:

Aalu's goods	Mr Lochner's goods
Class 5: Delay spray for men.	<u>The 359 mark</u> Class 5: Delay spray and cream. <u>The 398 mark</u> Class 5: Delay cream.

58. '*Delay spray [...]*' in class 5 of the 359 mark and Aalu's '*delay spray for men*' describe the same goods, with the exception that Aalu's goods are limited to being for men. Mr Lochner's goods would incorporate Aalu's goods and, accordingly, they are to be regarded as identical.

59. The nature of Aalu's goods and '*delay [...]* cream' and '*delay cream*' in class 5 of the 359 and 398 marks, respectively, differ somewhat because the former comprises sprays whereas the latter consists of creams. Nevertheless, the respective goods could both be used as a sexual aid and, therefore, there is a shared purpose. Moreover, as both will be applied to the body, there is a significant overlap in method of use. The respective goods are likely to reach the market through the same trade channels and be offered by the same undertakings. As the goods are not

²⁶ *Gérard Meric v OHIM*, Case T-133/05

indispensable or important for the use of one another,²⁷ they are not complementary. However, as a consumer could select sprays over creams, or vice versa, for the same purpose, they are in direct competition. Taking all of this into account, I find that there is a high degree of similarity between the respective goods.

The average consumer and the nature of the purchasing act

60. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited* [2014] EWHC 439 (Ch), Birss J (as he then was) described the average consumer in these terms:

“60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The words “average” denotes that the person is typical. The term “average” does not denote some form of numerical mean, mode or median.”

61. 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 in question.²⁸

62. The average consumer of the goods at issue in these proceedings is likely to be an adult member of the general public. The goods are likely to be purchased relatively frequently for ongoing use. The purchasing of the goods is not likely to follow an overly considered thought process as they are relatively inexpensive. However, the average consumer will consider factors such as cost, size and whether the product aligns with desired outcomes when selecting the goods. As they will be used on the body, the average consumer may also be mindful of their ingredients. Taking all of the above into account, I find that the average consumer will demonstrate a medium level of

²⁷ *Boston Scientific Ltd v OHIM*, Case T-325/06

²⁸ *Lloyd Schuhfabrik Meyer*

attention during the purchasing process. The goods are likely to be purchased from retailers, or their online equivalents, after viewing information on physical displays, shelves or the internet. Therefore, it is my view that the purchasing process will be predominantly visual in nature. Nevertheless, I do not discount aural considerations entirely as it is possible that the average consumer may wish to discuss the products with a sales assistant or receive word-of-mouth recommendations prior to purchasing the goods.

The distinctive character of the 066 mark

63. In *Lloyd Schuhfabrik Meyer*, 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 *WindsurfingChiemsee 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 *WindsurfingChiemsee*, paragraph 51).”

64. Registered trade marks possess varying degrees of inherent distinctive character. These range from the very low, such as those which are suggestive or allusive of the

goods, to those with high inherent distinctive character, such as invented words. Dictionary words which do not allude to the goods will be somewhere in the middle. The degree of distinctiveness is an important factor as it directly relates to whether there is a likelihood of confusion; the more distinctive the earlier mark, the greater the likelihood of confusion.

65. Although the distinctiveness of a mark may be enhanced as a result of it having been used in the market, Aalu has filed no evidence of use; accordingly, I have only the inherent position to consider.

66. The 066 mark is figurative and consists of a number of elements. At the top of the mark appear the words 'DEADLY SHARK POWER' and a stylised representation of a shark. At the centre of the mark appear the words '48000 DELAY SPRAY WITH VITAMIN E', beneath which appear non-English words. At the bottom of the mark appear the words 'For External Use Only'. The words in the mark are presented in either black or orange/red and, at the very top and bottom of the mark, appear two horizontal bands of orange/red lines. All of these elements are presented atop a beige background. It is my view that the distinctive character of the mark lies predominantly in the words 'DEADLY SHARK POWER'. These words appear at the top of the mark and have no descriptive or allusive qualities. The shark device also provides a significant contribution. The remaining words in the mark will be perceived as descriptive references to the goods, unknown non-English words, and a product number. The colours used will be perceived as decorative. Therefore, these elements all provide a much lesser contribution to the distinctive character of the mark. Overall, I find that the 066 mark has a medium level of inherent distinctive character.

Identity between the 066 mark and the 359 mark

67. In *S.A. Société LTJ Diffusion v. Sadas Vertbaudet SA*, Case C-291/00, the CJEU held that:

"54. [...] a sign is identical with the trade mark where it reproduces, without any modification or addition, all the elements constituting the trade mark or where,

viewed as a whole, it contains differences so insignificant that they may go unnoticed by an average consumer.”

68. The competing marks are as follows:

The 066 mark	The 359 mark
	

69. I note that all of the constituent elements of the 066 mark are identically reproduced in the 359 mark. To this extent, the competing marks are clearly identical. The only differences between the marks are a) the lack of a space between the words ‘WITH’ and ‘VITAMIN’ and b) the presence of a silver semi-circle at the top of the 359 mark. The lack of spacing is not significant. It does not alter the distinctive character of the mark and is likely to go unnoticed by consumers. As for the silver semi-circle, this element has no counterpart in the 066 mark. Particularly in light of the mark being a representation of product packaging, the silver semi-circle gives the impression of a sticker emanating from the top of the same. Stickers are commonly placed in such positions on packaging to secure the top to one (or more) of the sides. The sticker contains the repeated word ‘ORIGINAL’, which is likely to be perceived as a non-distinctive indication that the product bearing the mark is the first or earliest form of its kind. It is my view that the difference created by the presence of this additional element is not significant. It is likely to be overlooked by the average consumer. As such, I find

that the marks are to be regarded as identical for the purposes of Aalu's claim under section 5(2)(a). In the event that I am wrong in this finding, in the alternative I find that the marks are visually, aurally and conceptually similar to a very high degree for the purposes of Aalu's claim under section 5(2)(b).

Comparison between the 066 mark and the 398 mark

70. It is clear from *Sabel* 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 *Bimbo* 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.”

71. Therefore, it would be wrong to dissect the trade marks artificially, though it is necessary to take into account the distinctive and dominant components of the marks; due weight must be given to any other features which are not negligible and hence contribute to the overall impressions created by the marks.

72. The competing trade marks are as follows:

The 066 mark	The 398 mark
	

Overall impressions

73. The 066 mark is figurative and comprises a number of elements. At the top of the mark appear the words 'DEADLY SHARK POWER' and a stylised representation of a shark. At the centre of the mark are the words '48000 DELAY SPRAY WITH VITAMIN E', beneath which appear non-English words. At the bottom of the mark appear the words 'For External Use Only'. The words in the mark are presented in either black or orange/red and, at the very top and bottom of the mark, appear two horizontal bands of orange/red lines. All of these elements are presented atop a beige background. It is my view that the overall impression of the mark is dominated by the words 'DEADLY SHARK POWER'. These words appear at the top of the mark and have no descriptive or allusive qualities. The shark device also provides a significant contribution to the overall impression. The remaining words in the mark will be perceived as descriptive references to the goods, unknown non-English words and a product number. The colours used and the horizontal lines will be perceived as decorative. Therefore, these elements all provide a much lesser contribution to the overall impression of the mark.

74. The 398 mark is figurative and also contains several elements. At the top of the mark appear the words 'DEADLY SHARK CREAM' and a stylised representation of a shark. The words '48000 DELAY CREAM' are presented in the centre of the mark. Towards the bottom of the mark appear the words 'Vitamin E', '15ml. e' and 'MADE IN GERMANY'. The words in the mark are presented in either black or orange/red. At the very top and bottom of the mark appear two bands of horizontal orange/red lines. All of these elements are presented on a beige background. Given that they appear at the top of the mark and have no descriptive or allusive qualities, the words 'DEADLY SHARK' dominate the overall impression of the 398 mark. The shark device also provides a significant contribution. The number '480000' is likely to be perceived as a product number. The remaining words in the mark will be understood as descriptive references to characteristics of the goods, namely, its kind, estimated contents (in millilitres), ingredients and geographic origin. The colours used and the horizontal lines are decorative. Accordingly, these elements all provide a much lesser contribution to the overall impression of the mark.

Visual comparison

75. The competing marks are visually similar in that they both contain the words 'DEADLY SHARK' and the same stylised shark device. The number '48000', the word 'DELAY' and the words 'VITAMIN E'/'Vitamin E' also appear in both marks. The orange/red horizontal bands are a feature of both marks, and the colours used for the words and background are also highly similar, if not the same. The competing marks are visually different as each contains additional verbal elements that are not replicated in the other. The 066 mark also contains non-English words which have no counterparts in the 398 mark. However, bearing in mind my assessment of the overall impressions, I find that there is a high degree of visual similarity between the competing marks.

Aural comparison

76. Whilst I recognise that the descriptiveness of an element does not necessarily render it aurally invisible,²⁹ I consider it highly unlikely that all of the verbal elements in the competing marks will be articulated. Consumers do not typically verbalise details on packaging such as ingredients, product numbers or other such information when referring to trade marks. The average consumer will make no attempt to verbalise the shark device or, in the case of the 066 mark, the non-English words. Accordingly, it is my view that the 066 mark will be pronounced as “DEAD-LY-SHARK-POW-ER”. The 395 mark is likely to be pronounced as either “DEAD-LY-SHARK-CREAM” or simply “DEAD-LY-SHARK”. In both scenarios, the competing marks aurally coincide in the shared use of the identical syllables “DEAD-LY-SHARK”. They differ either in the remaining syllables, i.e. “POW-ER” and “CREAM”, or in that the 066 mark contains an additional two syllables which have no counterparts in the 398 mark. Either way, overall, it is my view that the competing marks are aurally similar to a relatively high degree.

Conceptual comparison

77. The words ‘DEADLY SHARK’ in the competing marks will be given their ordinary dictionary meanings and will, in combination, be understood as referring to a large fish that is dangerous and able to kill. The shark device will reinforce the meaning conveyed by these words. The words ‘DELAY’ and ‘VITAMIN E’/‘Vitamin E’ in the marks will also be attributed their ordinary dictionary meanings. These elements of the marks are conceptually identical. The number ‘48000’ is also present in both marks, though it does not give any particular concept over and above its meaning as a number. The competing marks conceptually differ in that the 066 mark contains the words ‘POWER’, ‘SPRAY’, ‘WITH’ and ‘For External Use Only’, whereas the 398 mark includes the words ‘CREAM’, ‘15ml. e’ and ‘MADE IN GERMANY’. The non-English words in the 066 mark are not likely to be understood and are, therefore, conceptually neutral. Although there are differences between the marks, they predominantly stem from the use of different descriptive or non-distinctive words. Overall, due to the shared

²⁹ *The Stockroom (Kent) Ltd V Purity Wellness Group Ltd*, Case BL O/115/22

presence of the dominant message conveyed by the words 'DEADLY SHARK', I find that the competing marks are conceptually similar to a relatively high degree.

Likelihood of confusion

78. There is no scientific formula to apply in determining whether there is a likelihood of confusion; rather, it is a global assessment where a number of factors need to be borne in mind. One such factor is the interdependency principle, i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective goods, and vice versa. As mentioned above, it is necessary for me to keep in mind the distinctive character of the earlier trade mark, the average consumer for the goods and the nature of the purchasing process. In doing so, I must be alive to the fact that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them that they have retained in their mind.

79. Confusion can be direct or indirect. Direct confusion involves the average consumer mistaking one mark for the other, while indirect confusion is where the average consumer realises the marks are not the same but puts the similarity that exists between the marks and the goods down to the responsible undertakings being the same or related. In *L.A. Sugar Limited v By Back Beat Inc*, Case BL O/375/10, Mr Iain Purvis QC, sitting as the Appointed Person, explained that:

“16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: “The later mark is different from the earlier mark, but also has something in common with it. Taking account of the

common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark.

17. Instances where one may expect the average consumer to reach such a conclusion tend to fall into one or more of three categories:

(a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using it in a trade mark at all. This may apply even where the other elements of the later mark are quite distinctive in their own right (“26 RED TESCO” would no doubt be such a case).

(b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or brand extension (terms such as “LITE”, “EXPRESS”, “WORLDWIDE”, “MINI” etc.).

(c) where the earlier mark comprises a number of elements, and a change of one element appears entirely logical and consistent with a brand extension (“FAT FACE” to “BRAT FACE” for example).”

80. These three categories are not exhaustive. Rather, they were intended to be illustrative of the general approach, as has been confirmed by the Court of Appeal.³⁰ However, indirect confusion has its limits. I recognise that a finding of indirect confusion should not be made merely because the competing marks share a common element. In this connection, it is not sufficient that a mark merely calls to mind another mark: this is mere association not indirect confusion.³¹ The Court of Appeal has also emphasised that, where there is no direct confusion, there must be a “proper basis” for finding indirect confusion.³²

³⁰ *Liverpool Gin Distillery and others v Sazerac Brands, LLC and others* [2021] EWCA Civ 1207

³¹ *Duebros Limited v Heirler Cenovis GmbH*, Case BL O/547/17

³² *Liverpool Gin Distillery*

81. Earlier in this decision, I concluded that:

- The parties' respective goods are identical or highly similar;
- The average consumer of the goods at issue will consist of adult members of the general public, who will demonstrate a medium level of attention when selecting the goods;
- The purchasing process will be predominantly visual in nature, though aural considerations have not been discounted;
- The 066 mark possesses a medium level of inherent distinctive character;
- The overall impression of the 066 mark is dominated by the words 'DEADLY SHARK POWER', whilst the shark device also provides a significant contribution. The other verbal and non-verbal elements play a much lesser role;
- The 066 mark and the 359 mark are identical, otherwise they are visually, aurally and conceptually similar to a very high degree;
- The overall impression of the 398 mark is dominated by the words 'DEADLY SHARK', while the shark device provides a significant contribution and the other verbal and non-verbal elements play a much lesser role;
- The 066 mark and the 398 mark are visually similar to a high degree, and aurally and conceptually similar to a relatively high degree.

The 066 mark and the 359 mark

82. In consideration of all the above factors, I find that there is a likelihood of direct confusion. Given that the marks are identical and that the parties' respective goods are at least highly similar, I am satisfied that the average consumer will mistake one mark for the other. I find further support for this finding in that the average consumer

will pay no more than a medium level of attention during the purchasing process and that the 066 mark possesses a medium level of distinctive character. In light of this, the opposition against the 359 mark under section 5(2)(a) of the Act is successful.³³

83. In the event that my primary finding at paragraph 69, i.e. that the competing marks are identical, is wrong, I still consider there to be a likelihood of direct confusion under section 5(2)(b) of the Act. I acknowledge that, in such circumstances, the silver semi-circle containing the repeated word 'ORIGINAL' in the 359 mark creates a point of difference between the marks. Nevertheless, taking into account the very high levels of overall similarity between the competing marks, as well as the parties' goods being at least highly similar, it is my view that this difference is likely to be insufficient to distinguish Mr Lochner's goods from those of Aalu. Apart from the silver semi-circle, the competing marks are identical; they have the same dominant (and non-dominant) verbal elements, the same composition, use the same colours and both contain the same shark device. I have found that the silver semi-circle is likely to be perceived as a sticker containing a non-distinctive indication that the product within the packaging is the first or earliest form of its kind. Stickers are commonly used on packaging to secure the top to one (or more) of the sides and consumers are not accustomed to attaching any trade mark significance to them. This element may be overlooked entirely by the average consumer. Taking all of the above into account, as well as the principle of imperfect recollection, it is considered likely that the average consumer – paying no more than a medium level of attention during the purchasing process – may not recall the respective marks with sufficient accuracy to differentiate between them. It is, to my mind, highly likely that the average consumer may misremember whether the mark contained a silver semi-circle (or whether the packaging contained a silver sticker) and non-distinctive word 'ORIGINAL'.

³³ Although, given the identity of some of the goods at issue, I recognise that this claim may, more properly, have been pleaded in part under section 5(1) of the Act. Whilst section 5(2)(a) only requires the goods to be similar (and not identical), Aalu has gone beyond the threshold required to satisfy the test under this ground and, consequently, the opposition is successful.

The 066 mark and the 398 mark

84. I recognise that the competing marks are different insofar as they contain some differing verbal elements, such as 'CREAM' rather than 'POWER', and 'SPRAY', 'MADE IN GERMANY', '15ml. e' and 'For External Use Only'. I also accept that the 066 mark contains non-English words which are not replicated in the 398 mark. However, the competing marks both contain the dominant words 'DEADLY SHARK' and an identical shark device. Moreover, the competing marks have an extremely similar composition, use a highly similar colour scheme and contain the same number. Taking into account the overall levels of similarity between the marks, as well as the high degree of similarity between the parties' respective goods, I am of the view that the aforementioned differences are unlikely to be sufficient to distinguish Mr Lochner's goods from Aalu's. Particularly given the principle of imperfect recollection, it is likely that the average consumer – paying no more than a medium level of attention during the purchasing process – may not recall the respective marks with sufficient accuracy to differentiate between them. In my view, it is highly likely that the average consumer would recall the 'DEADLY SHARK' element, associated imagery and potentially the overall get-up of the mark but fail to accurately recall the particular descriptive or origin neutral information used on the packaging. In addition, it is unlikely that the non-English words in the 066 mark will be accurately recalled since they will not be understood. Accordingly, I find that there is a likelihood of direct confusion.

85. In the event that the average consumer immediately notices and recalls the differences between the competing marks, they will also recognise the identical, dominant words 'DEADLY SHARK' and the identical shark device, as well as the identical number '48000' and the highly similar overall get-up of the marks. Whether consciously or unconsciously, this will lead the average consumer through the mental process described in *L.A. Sugar*. The words in the competing marks which differ consist of descriptive references to the goods, other origin neutral information and non-English words. These differences readily lend themselves to a sub-brand or brand variation, i.e. the 398 mark will be perceived as an alternative brand of the 'DEADLY SHARK' range which is used in relation to cream, rather than spray, and which contains different information about the product. The inclusion or omission of the non-English words is likely to be seen as the use of variant brands for use in different

territories or for a different target audience. Taking all of the above into account, I am satisfied that the average consumer – paying no more than a medium level of attention – would assume a commercial association between the parties, or sponsorship on the part of Aalu, due to the presence of the identical and highly similar elements outlined above. This is particularly the case, given the respective goods are highly similar. Accordingly, I find that there is a likelihood of indirect confusion.

Conclusion

86. The opposition against the 359 mark under sections 5(2)(a) and 5(2)(b) of the Act has been successful. The opposition against the 398 mark under section 5(2)(b) of the Act has also been successful.

Overall outcomes

87. Mr Lochner's application to invalidate the 066 mark has failed. Subject to any successful appeal, the 066 mark will remain registered in the UK.

88. Aalu's oppositions against the 359 and 398 marks have succeeded in full. Subject to any successful appeal, the applications will be refused.

Costs

89. As Aalu has been successful, ordinarily it would be entitled to a contribution towards its costs. However, as it has not instructed professional representation it was invited by the Tribunal to indicate whether it intended to make a request for an award of costs, including accurate estimates of the number of hours spent on a range of given activities relating to the consolidated proceedings.

90. It was made clear in the official letter dated 21 December 2022 that if the pro-forma was not completed, no costs would be awarded. Aalu did not return a completed pro-forma to the Tribunal. Accordingly, I award Aalu the sum of **£200** as a contribution towards official fees only.

91. I order Guy Lochner to pay Aalu Ltd the sum of **£200**. This sum is to be paid within twenty-one days of the expiry of the appeal period or within twenty-one days of the final determination of the proceedings if any appeal against this decision is unsuccessful.

Dated this 28th day of February 2023

James Hopkins
For the Registrar