

O/0514/23

TRADE MARKS ACT 1994

IN THE MATTER OF UK REGISTRATION NO. 3576703

IN THE NAME OF ZIMPLICITY LIMITED

IN RESPECT OF THE FOLLOWING TRADE MARK:

OMG Printing

AND

AN APPLICATION FOR A DECLARATION OF THE INVALIDITY

THEREOF UNDER NO 504574

BY

KHALED ROSS ELRAYES

BACKGROUND AND PLEADINGS

1. Trade mark No. 3576703 shown on the cover page of this decision stands registered in the name of Zimplicity Limited (“the proprietor”). It was applied for on 8 January 2021 and completed its registration procedure on 23 July 2021. The goods for which it is registered are as follows:

Class 16

Posters.

2. On 28 February 2022, Khaled Ross Elrayes (“the applicant”) filed an application to have this trade mark declared invalid under the provisions of section 5(4)(a) of the Trade Marks Act 1994 (“the Act”) which are relevant in invalidation proceedings under section 47 of the Act.

3. The applicant claims to have used the sign **OMG Printing** throughout the UK since 15 July 2013 for *Posters* and to have built up a large customer base through trading on online marketplaces such that it has established goodwill. Use of the contested mark would, it claims, be liable to cause confusion in the mind of the public and damage would occur if the products were of a lesser quality. Such reputational damage would have a negative impact on sales. The applicant further claims that the proprietor must have known of the existence of the applicant prior to making the application for the contested mark, as *“432 of the posters they sell on Amazon.co.uk are listings that were financed and created by OMG Printing, many of which were created when we started trading in 2013.”*¹

4. The proprietor filed a defence and counterstatement denying the claims made.

EVIDENCE AND SUBMISSIONS

5. The applicant filed evidence in the form of a witness statement from Mr Elrayes, the founder of OMG Printing, in which he states that he operated as a sole trader from

¹ Application to declare invalid a registration, Section C, Question 4.

2013 to 2017 and as a limited company thereafter. His evidence is dated 6 September 2022 and goes to the existence of goodwill. It is accompanied by 6 exhibits.

6. The proprietor did not file evidence, but filed written submissions on 7 November 2022. These are very brief and essentially reiterate the denials made in the counterstatement.

HEARING

7. The proprietor requested a main hearing and this took place via videolink on 15 March 2023. The applicant was represented by Kevin Hanson of LawBriefs Ltd and the proprietor by James Sanderson of Sandersons.

DECISION

8. The relevant provisions of section 47 of the Act are as follows:

“ ...

(2) Subject to subsections (2A) and (2G), the registration of a trade mark may be declared invalid on the ground—

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

(b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,

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

...

(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.”

9. Section 5(4)(a) of the Act is as follows:

“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 or 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 4(A) is met

...”

10. Subsection 4(A) is as follows:

“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.”

11. In *Reckitt & Colman Products Limited v Borden Inc. & Ors* [1990] RPC 341, HL, Lord Oliver of Aylmerton described the “classical trinity” that must be proved in order to reach a finding of passing off:

“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. Secondly, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by him are the goods or services of the plaintiff. Thirdly,

he must demonstrate that he suffers or, in a quia timet action, that he is likely to suffer damage by reason of the erroneous belief engendered by the defendant's misrepresentation that the source of the defendant's goods or services is the same as the source of those offered by the plaintiff."²

12. *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 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 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;

² Page 406.

(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 are 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

13. In *Maier & Anor v ASOS plc & Anor* [2015] EWCA Civ 220, Kitchin LJ said;

“... Under the English law of passing off, the relevant date for determining whether a claimant has established the necessary reputation or goodwill is the date of the commencement of the conduct complained of (see, for example, *Cadbury-Schweppes Pty Ltd v The Pub Squash Co Ltd* [1981] RPC 429). The jurisprudence of the General Court and that of OHIM is not entirely clear as to how this should be taken into consideration under Article 8(4) (compare, for example, T-114/07 and T-115/07 *Last Minute Network Ltd* and Case R 784/2010-2 *Sun Capital Partners Inc*). In my judgment the matter should be addressed in the following way. The party opposing the application or the registration must show that, as at the date of application (or the priority date, if earlier), a normal and fair use of the [contested] trade mark would have amounted to passing off. But if the [contested] trade mark has in fact been used from an earlier date then that is a matter which must be taken into account, for the opponent must show that he had the

necessary goodwill and reputation to render that use actionable on the date that it began.”³

14. The relevant date for these proceedings is 8 January 2021. The proprietor does not claim to have used the contested mark before the date of application and so that is the only date I need to consider.

Goodwill

15. The applicant must show that it had goodwill in a business at the relevant date and that the sign relied upon is associated with, or distinctive of, that business.

16. The concept of goodwill was considered by the House of Lords in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217:

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantages 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. The goodwill of a business must emanate from a particular centre or source. However widely extended or diffused its influence may be, goodwill is worth nothing unless it has the power of attraction sufficient to bring customers home to the source from which it emanates.”⁴

17. I also find it helpful to note the comments of Millett LJ in *Harrods Limited v Harrodian School Limited* [1996] RPC 697:

“It is well settled that (unless registered as a trade mark) no one has a monopoly in his brand name or get up, however familiar these may be. Passing off is a wrongful invasion of a right of property vested in the plaintiff;

³ Paragraph 165.

⁴ At [224].

but the property which is protected by an action for passing off is not the plaintiff's proprietary right in the name or get up which the defendant has misappropriated but the goodwill and reputation of his business which is likely to be harmed by the defendant's misrepresentation: see *Reddaway v. Banham* [1896] A.C. 199 per Lord Herschell; *Spalding v. Gamage (1915)* 32 R.P.C. 273 at page 284 per Lord Parker; *H.P. Bulmer Ltd. and Showerings Ltd. v. J. Bollinger SA and Champagne Lanson Père et Fils* (the Bollinger case) [1978] R.P.C. 79 at page 93-4 per Buckley L.J.”⁵

18. Mr Elrayes states that he sells posters and other printed articles under the name **OMG Printing** on online platforms, including eBay and Amazon. He estimates the number of products sold on Amazon since 2014 as in the region of 50,000.⁶ He gives the following turnover figures and confirms that all sales were made to UK customers:⁷

Financial Year	Turnover
2014	£61,508
2015	£79,407
2016	£87,204
2017	£67,751
2018	£82,985
2019	£68,318
2020	£80,787
2021	£52,305
TOTAL	£580,265

19. Mr Elrayes states that 2021 saw a drop in turnover as a result of the proprietor's use of the contested mark and the COVID pandemic.⁸ At the hearing, Mr Sanderson submitted that this inference could not be drawn from the applicant's evidence. The turnover had, he said, fluctuated noticeably since 2014.⁹ The drop in sales from 2020 to 2021 is greater than anything that had been seen before, but it is not clear to me

⁵ At [711].

⁶ Witness statement, paragraph 8.

⁷ Witness statement, paragraph 4.

⁸ Paragraph 4.

⁹ Transcript, page 8.

that an alleged causal link between the proprietor's use of the mark and the fall in sales in 2021 has much bearing on an assessment of whether the applicant had protectable goodwill as of 8 January 2021.

20. Exhibit KRE1 contains a printout showing the results of a Google search for the phrase "OMG Printing". Mr Elrayes submits that the fact that the first three of the results relate to his company shows that it has a reputation. However, such a conclusion cannot be drawn from this evidence. Search engine algorithms use previous searches to improve the relevance of the results to the individual carrying out the search, and so the top three results are likely to vary from user to user.

21. Exhibit KRE2 shows the first page of results of an Amazon search for products sold under the "OMG Printing" brand. 706 results were returned and all of the 16 items shown are posters. The printout is undated.

22. Exhibit KRE3 shows the applicant's Amazon seller details with examples of feedback from 2022, i.e. after the relevant date.

23. Exhibit KRE4 is a printout of the applicant's eBay storefront, with a first page of 24 different posters offered for sale. It shows that the store has 1.1k followers, has sold over 57,000 items with a 99.6% positive feedback rating, and had 686 items available at the time of printing. The sign relied upon by the applicant can be seen in the form of a logo as well as a word mark. Under "About us", on the right-hand side of the screen shot, can be seen the text "*We put our customers first and offer what we believe to be the best quality posters on...*". However, the printout is undated.



24. Exhibit KRE5 is a printout of the applicant's Facebook page, which Mr Elrayes says was created in 2015.¹⁰ It describes the applicant as being in the "Home Decor" sector and shows that the page had 165 followers at the time of printing. It is also undated.

25. Exhibit KRE6 is another printout from Amazon. This shows a film poster for sale. While the printout itself is undated, it shows eight reviews from customers, all but one of which were posted before the relevant date. The earliest is dated 23 June 2018.

The screenshot shows an Amazon UK product page for a poster of the film 'It's A Wonderful Life'. The product is titled 'It's A Wonderful Life Frank Capras James Stewart Poster/Print/Picture Satin Photo Paper - A4 - 210mm x 297mm'. The price is £3.00, with a 24% discount from the original price of £3.99. The product is in stock and has 92 ratings. The page also features a promotional offer for a £100 Amazon Gift Card upon approval for the Amazon Business Amex Card. The product is sold by OMG Printing and has a return policy of 30 days. The page also shows other sellers on Amazon, including FajermArt, which is offering a 15% off voucher.

¹⁰ Witness statement, paragraph 10.

26. Mr Elrayes says that this exhibit shows that “*searching for OMG Printing returns posters sold by Zimplicity Limited’s signs247 Amazon store. This is one example of at least one of 381 listings where signs247 sells posters that are unduly linked to my Amazon store front.*”¹¹ The name “SIGNS247” can be seen at the right-hand side of the image above under “Other Sellers on Amazon”. Mr Hanson submitted that:

“In this exhibit it can clearly be seen that an identical poster is sold by the proprietor under its sign 247 brand. Again, this was a screenshot taken in September 2022. The reason why this is provided is that if the proprietor is using OMG PRINTING to sell items on Amazon and those items are identified as being similar to the items sold by the applicant under the OMG PRINTING brand, it will be, frankly, impossible for a customer to understand and realise where the goods were being sourced from. We have two identical brands selling identical goods to the extent that the posters themselves are completely identical in form and content.”¹²

27. I am not persuaded that this exhibit shows anything other than that a seller by the name of SIGNS247 offered for sale an identical poster from this film and that it did so in September 2022. In particular, there is no evidence that this seller has linked its listings to Mr Elrayes’ storefront. Mr Sanderson submitted at the hearing that “*Amazon does not permit multiple listings if it is the same product*”.¹³ I do not have any evidence to confirm whether this is the case, but I do consider that it is reasonable to take account of my own experience that it is not uncommon for Amazon to provide links to alternative sellers of the same product. But even if I were not to do that it is not clear to me how this exhibit has any bearing on whether the applicant had protectable goodwill in connection with the earlier sign at the relevant date of 8 January 2021.

28. This concludes my summary of the applicant’s evidence.

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

¹¹ Witness statement, paragraph 11.

¹² Transcript, pages 4-5.

¹³ Transcript, page 12.

“27. There is one major problem in assessing a passing off 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 RPC 97 as qualified by *BALI Trade Mark* [1969] RPC 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.”

30. 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.”¹⁴

31. In *Smart Planet Technologies, Inc. v Rajinda Sharma (Recup Trade Mark)*, BL O/304/20, Mr Thomas Mitcheson QC, sitting as the Appointed Person, reviewed the following authorities on 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*, and *Erven Warnink B.V. v. J. Townend & Sons (Hull) Ltd* [1980] R.P.C. 31. After doing so, he 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.”¹⁵

32. Mr Hanson submitted that this burden had been discharged and that the evidence showed that the applicant had established a protectable goodwill by the relevant date. He accepted that some of the evidence was undated, or was captured after the relevant date, but he submitted that “*to say that it is impossible to ascribe a significant proportion of these sales to before the relevant date is, frankly, ludicrous*”.¹⁶ In his view, the turnover figures quoted in paragraph 18 above represented significant volumes of what the exhibits showed were low-cost products. He submitted that the circumstances were different from those of *Recup*:

“... the evidence provided there was 10 invoices to two customers that had a value of €3,200, whereas here we are talking of 100,000 items sold to tens of thousands of customers across all corners of the UK. They are all very low-value items so we can demonstrate that the brand has been used in

¹⁴ Paragraph 8.

¹⁵ Paragraph 34.

¹⁶ Transcript, page 15.

connection with goods that have been sold quite widely across the country.”¹⁷

33. I drew Mr Hanson’s attention to paragraph 3 of Mr Elrayes’ witness statement, in which he said that his company sold posters and other printed articles. Mr Hanson said that he understood that all the sales were posters, but this is in clear contrast to the words of Mr Elrayes.¹⁸ Later in the hearing, he added that, in any case, posters were very similar to printed articles.¹⁹

34. Mr Sanderson submitted that the evidence was not sufficient to show the applicant had goodwill. It was impossible to tell what proportion of turnover related to the goods relied on (*Posters*).²⁰ I agree with Mr Sanderson. Mr Elrayes is best placed to know what goods he has sold and the wording that he uses goes wider than just posters. I do not accept that sales of, for example, leaflets or books would result in goodwill in relation to posters. I have been given no evidence such as advertising or marketing materials to indicate the scope of the applicant’s activities. The Amazon and eBay printouts in Exhibits KRE2 and KRE4 suggest that the applicant is a trader in posters, but these are undated so I am unable to say whether this was the position at the relevant date. I am permitted to make reasonable inferences based on the evidence before me, but in this instance I am being asked to find that the majority of the turnover is attributable to posters on the basis of slender undated, or later, evidence. Based on the evidence filed, I am not satisfied that the applicant has proved that it has sufficient goodwill to maintain a claim of passing off.

35. As the applicant has failed to establish the existence of a protectable level of goodwill, there can be no misrepresentation or damage. The section 5(4)(a) ground therefore fails.

¹⁷ Transcript, page 5.

¹⁸ Transcript, pages 6-7.

¹⁹ Transcript, page 15.

²⁰ Transcript, page 8.

CONCLUSION

36. The application for a declaration of invalidity against UKTM No. 3576703 fails and the mark remains registered.

COSTS

37. The proprietor has been successful and is entitled to a contribution towards its costs, based upon the scale published in Tribunal Practice Notice 2/2016. In the circumstances, I award the proprietor the sum of £1200 as a contribution towards the costs of the proceedings. The sum is calculated as follows:

<i>Preparing a statement and considering the other side's statement:</i>	<i>£300</i>
<i>Considering the other side's evidence:</i>	<i>£300</i>
<i>Preparing for and attending the hearing:</i>	<i>£600</i>
TOTAL:	£1200

38. I therefore order Khaled Ross Elrayes to pay Zimplicity Limited the sum of £1200. This sum should be paid within 21 days of the expiry of the appeal period or, if there is an appeal, within 21 days of the conclusion of the appeal proceedings.

Dated this 2 day of June 2023

**Clare Boucher,
For the Registrar,
Comptroller-General**