



Neutral Citation Number: [2017] EWHC 1695 (IPEC)

Claim No: IP-2016-000100

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
INTELLECTUAL PROPERTY ENTERPRISE COURT

Royal Courts of Justice, Rolls Building
Fetter Lane, London, EC4A 1NL

Date: Tuesday 11th July 2017

Before :

Mr RECORDER DOUGLAS CAMPBELL QC

Between :

COREIX LIMITED

Claimant

- and -

- (1) CORETX HOLDINGS PLC
- (2) CORETX SUBHOLDINGS LIMITED
- (3) CORETX CONNECT LIMITED
- (4) CORETX COMMUNICATIONS LIMITED
- (5) MIMIC LIMITED (formerly CORETX MEDIA LIMITED)
- (6) CORETX LIMITED
- (7) CORETX FINANCING LIMITED
- (8) CORETX MANAGE LIMITED
- (9) CORETX PROTECT LIMITED

Defendants

Thomas St Quintin (instructed by J P Mitchell Solicitors) for the **Claimant**
Victoria Jones (instructed by DAC Beachcroft LLP) for the **Defendants**

Hearing dates: 7th - 8th June 2017

Approved Judgment

I direct that pursuant to CPR PD 39A para 6.1 no official shorthand note shall be taken of this Judgment and that copies of this version as handed down may be treated as authentic.

Mr Recorder Douglas Campbell QC:

Introduction

1. This is an action by the Claimant in respect of alleged infringement of UK registered trade mark 2 565 403 (word mark “COREIX”) and passing off. The mark is registered in classes 9, 38 (including “telecommunication services”), and 42 (including “computer services”). This trade mark registration has effect from 25 November 2010, although the COREIX mark itself has been used by the Claimant for such services since 2003. There is no validity or revocation challenge to the Claimant’s mark.
2. The Third Defendant (“D3”) was incorporated in 2004 under the name CONNEXIONS4LONDON LTD and traded under the mark C4L in relation to, inter alia, telecommunication services and computer services. In November 2013, D3 started to use the mark “coreTX” in relation to the provision of a high performance Multiprotocol Label Switching (MPLS) network which was to be used to enable such services, and in particular to replace its existing Cisco network. It will be noted that the first 4 letters of this mark (“the old mark”) were in lower case. D3 also applied for and obtained UK registered trade mark no. 3 030 562 for the word mark ‘CORETX’ (all in capitals) with effect from 14 November 2013 in relation to services in Class 38. The Claimant was aware of D3’s old mark and its corresponding trade mark registration but did not issue any legal proceedings against D3 at that time.
3. The Sixth to Ninth Defendants originally traded as ‘Selection Services’, a managed service provider business. Following a series of corporate transactions in 2015, all of the Defendants became part of the same group providing a variety of telecommunication and computer services. This was in effect an amalgamation of the C4L and Selection Services businesses. I will refer to the Defendants generally save where it is necessary to distinguish them.
4. In circumstances which I will explain further below, the Defendants decided at some point in early 2016 to adopt the mark “CORETX” and an associated logo for use by their group as a whole. It will be noted that the 2016 version of the mark has the first 4 letters in capitals. I reproduce it later in this judgment.
5. The Defendants formally launched and introduced their CORETX mark and logo at the Cloud Expo industry event, supported by an email sent by Mr Andy Ross, D3’s Chief Executive Officer, on 12 April 2016. Mr Ross’s email was entitled “Official Name Change” and explained “... *we are excited to officially announce that Castle Street Investment and its recently acquired subsidiaries of C4L and Selection Services have rebranded to CORETX*”. The Claimant received a copy of this email and (as it pointed out more than once during the trial) it objected to the Defendants about their new mark and logo within 77 minutes of such receipt, having taken legal advice in the interim.
6. The Claimant submits that the Defendants’ use of their “CORETX” mark and logo infringes its registered trade mark under both ss 10(2) and 10(3) of the Trade Marks Act 1994 (ie Arts 5(1)(b), 5(2) of the Trade Marks Directive) and also amounts to passing off. It is not disputed that a number of services in

relation to which the Defendants have used this mark are identical to those for which the Claimant's mark is registered but the Defendants submit that there is no likelihood of confusion, as is required by s 10(2). In relation to s 10(3), the Defendants dispute four distinct aspects of the Claimant's case. Passing off is also denied.

7. Furthermore the Defendants raise a specific free-standing defence of estoppel and acquiescence to the allegations of trade mark infringement and passing off. The Claimant disputes that this is available as a defence to trade mark infringement as a matter of law, but submits that the defence fails anyway.
8. It was accepted by the Defendants that if one Defendant was liable for trade mark infringement or passing off they were all liable, save for the Fifth Defendant (D5) which the Defendants said had never actually traded under any of the CORETX marks and which I was told was no longer part of the Defendants' group. The Defendants left open the possibility that all of the Defendants could benefit from the defence of estoppel and acquiescence but the Claimant submitted that it could only be available to D3.
9. The Claimant seeks a declaration of invalidity of D3's UK registered trade mark no. 3 030 562, and also seeks relief in relation to various domain names owned by D3 including coretx.com and coretxnetwork.com. Virtually no time was spent at trial on any of these matters. Instead, the time at trial was spent on s 10(2), actual confusion, and estoppel.
10. At the outset of the hearing I had to deal with two housekeeping matters. One related to a statement signed by a Mr Clive Stone. I deal with this in more detail below. The other related to D3's use of the old coreTX mark between 2013 and 2016. I ruled that since the Claimant's Particulars of Claim did not allege that D3's said use of the old mark infringed, the issue of infringement by the old mark over that period could not be raised at the trial. However I made it clear that the evidence about the old mark's use over that period remained relevant and admissible to the plea of estoppel.

The witnesses

The Claimant's witnesses

11. I heard oral evidence on behalf of the Claimant from Mr Alan Dean, Mr Pavel Ganchev, Mr Tristan Lee-Johnson, and Mr Stephen Latter. All are employees of the Claimant.
12. Mr Dean has been a director of the Claimant since 1 June 2004 and its managing director since 28 June 2012. He gave evidence about the Claimant's business, its customers, promotion of its mark, the mark's reputation, D3's use of the coreTX mark and the Claimant's reaction to it, his reaction to the 2016 rebrand, the Defendants' business, confusion between the Defendants' business and that of the Claimant, and damage to the Claimant's mark.
13. The Defendants submitted that Mr Dean's evidence was "tainted" by my ruling in relation to the coreTX mark. I reject this. Mr Dean was an honest witness

and his evidence was not in any way “tainted”. I was impressed by his willingness to make concessions which were adverse to his case and in favour of the Defendants. For instance he freely conceded that the Defendants could have taken some comfort from the Claimant’s failure to sue on D3’s old mark even though he could not have had any first hand knowledge about that.

14. Mr Ganchev is a data centre technician at the Claimant, a role he has carried out since August 2009. Mr Lee-Johnson joined the Claimant in 2010 and has been its head of sales since 2013. Mr Latter has been Service Delivery Manager at the Claimant since January 2016. All 3 of them gave evidence relating to alleged confusion. Mr Lee-Johnson could have been more careful, but otherwise they were all good witnesses.

The Defendants’ witnesses

15. I heard oral evidence on behalf of the Defendants from Mr Mathew Hawkins, Mr Johnathan Lee, Mr Gary Barter, and Mr Julian Phipps. All are or were employees of one or more of the Defendants.
16. Mr Hawkins founded D3 in 2000. He was at various points a director of each of D1 to D5 but resigned from all positions within the Defendants’ group on 8 September 2016. He was not as careful as he might have been either. For instance he went out of his way to give evidence about an email from a Mr Paul Harvey in which he said the *Claimant* considered whether the *Claimant* should rebrand. Mr Hawkins then relied on this email to say that the Claimant’s decision to sue the Defendants instead of rebranding itself was unconscionable. However as his own exhibit showed this email was actually written by a Mr Paul Hughes of NTL World, and not by anyone within the Claimant at all. On matters within his knowledge he was a good witness.
17. Mr Barter had joined D3 in 2012 and is now Head of Product Management at all of the Defendants except D5. His evidence also covered the creation of the coreTX network in 2013 and its gradual launch through 2014 and 2015. He said that although coreTX was used alongside the C4L brand over this time, C4L remained D3’s primary brand. He was not involved in what he called the decision to rebrand the Defendants to CORETX in April 2016. He was a good witness although his evidence was largely duplicative of that given by Mr Hawkins.
18. Mr Lee was the Commercial Director of all Defendants except D5. He joined Selection Services in January 2014, initially on a temporary basis. He was a fair witness but his evidence was largely duplicative of that provided by other witnesses for the Defendants and it was barely mentioned in closing submissions.
19. Mr Phipps was, and/or had been, a director of every Defendant at one time or another and is currently Chief Financial Officer of D1-D4, D6-D9. Much of his evidence referred to things done or said by Mr Andy Ross, whom I have already mentioned. Mr Ross was and is Chief Executive Officer of each of D1-D2, D4, D6-D9 as well as D3 and Mr Phipps referred to him as “the Defendants’ CEO”.

20. For instance in his first statement Mr Phipps gave evidence about why Mr Ross recommended Coretx as the name for the Defendants' group. In his second statement Mr Phipps gave evidence about what Mr Ross had said to him in March 2017 about the conversation between Mr Dean and Mr Ross at the Cloud Expo Show on 12 April 2016. Mr Phipps was invited to give evidence in chief about why he, rather than Mr Ross, was giving Mr Ross's evidence. Mr Phipps said that Mr Ross was willing and able to give evidence at trial, but the Defendants were only allowed 4 witnesses and the relevant Board members decided to have witnesses who could speak for each Defendant.
21. I do not accept this is the true reason for Mr Ross's non-attendance. First, I do not see why each Defendant needed to have its own witness since the only Defendant of any specific importance was D3 and one witness would have sufficed for all of the other Defendants. Secondly Mr Phipps himself gave evidence covering all of the other Defendants anyway (as Mr Ross could have done). Thirdly, Mr Ross's evidence would have been more relevant to the issues at trial than that of Mr Lee, for instance. In my judgment the real reason why Mr Ross did not attend trial is because the Defendants did not want him to, but I do not know why the Defendants did not want him to do so.

Registered trade mark infringement under s 10(2) of the 1994 Act/Art 5(1)(b)
TMD

Legal context

22. The law on s 10(2) infringement generally is very familiar and there was no dispute about it. See eg **Comic Enterprises v Twentieth Century Fox Film Corp** [2016] FSR 30 at [26]-[34]. I will apply these principles here.
23. The proportion of the general public which must be confused in order for a likelihood of confusion to be established was considered in **Interflora Inc v Marks & Spencer** [2015] ETMR 5. The Court of Appeal said this at [129]:

“... in light of the foregoing discussion we do not accept that a finding of infringement is precluded by a finding that many consumers, of whom the average consumer is representative, would not be confused. To the contrary, if, having regard to the perceptions and expectations of the average consumer, the court concludes that a significant proportion of the relevant public is likely to be confused such as to warrant the intervention of the court then we believe it may properly find infringement.”
24. Some additional principles were not disputed. For instance it is well established that consumers generally pay more attention to the beginning of marks than the end: see **Seven for all mankind LLC v OHIM** [2013] ETMR 24 at [101]-[109], CJEU. When a sign consists of both figurative and verbal elements, the verbal elements are generally more distinctive since the average consumer is more likely to refer to the goods in question by quoting their name (ie using the verbal elements): **Honda v OHIM** [2009] ETMR 34 at [30], CFI. Descriptive elements, or those having a very general meaning, will not be considered to be

the distinctive and dominant elements in the overall impression conveyed: see eg **Inex SA v OHIM** [2006] ETMR 92 at [32].

25. There is now a large amount of case law explaining the relationship between actual confusion and the likelihood of confusion. In **Maier v ASOS** [2015] ETMR 26, at [80], Kitchin LJ said the following:

If the mark and the sign have both been used and there has been actual confusion between them, this may be powerful evidence that their similarity is such that there exists a likelihood of confusion. Conversely, the absence of actual confusion despite side by side use may be powerful evidence that they are not sufficiently similar to give rise to a likelihood of confusion. This may not always be so, however. The reason for the absence of confusion may be that the mark has only been used to a limited extent or in relation to only some of the goods or services for which it is registered, or in such a way that there has been no possibility of the one being taken for the other. So there may, in truth, have been limited opportunity for real confusion to occur.

26. Similarly in **BMW v Technoport** [2017] EWCA Civ 779 Floyd LJ (with whom Patten LJ agreed) held as follows at [24]:

*“I also think the judge was wrong to say that it required evidence of actual consumers to establish BMW’s case. Where what is in issue is an ordinary consumer product the court is not normally assisted by the evidence of individual consumers to establish what impression is conveyed by a sign: see **Interflora I** [2012] EWCA Civ 1501 at [40] - [43]. The court has to make its own assessment, taking into account all relevant circumstances. Although Miss Scott identified some respects in which the evidence from BMW’s employees might have been improved, she was not able to identify what additional evidence from consumers the judge could legitimately have had in mind. She accepted that evidence of actual confusion is never a pre-requisite of success in an infringement or passing off action.”*

27. One of the issues in this case is that there is only a single letter difference between the marks. This prompted the Defendants to cite **JW Spear & Sons Ltd v Zynga Inc** [2015] F.S.R. 19, not so much for a matter of principle but to show that the mark SCRAMBLE was held not to infringe SCRABBLE even though only one letter is different. I agree with the Claimant that the facts in that case were different. First, SCRABBLE was a very well known trade mark (which according to CJEU law generally makes confusion more likely), and SCRAMBLE had a descriptive allusion. Secondly there was “extensive and pervasive” side by side use such that any confusion should have come to light by the time of trial. Both of these were reasons which the Court of Appeal held supported the finding that there was no risk of confusion in that case: see [160]-[161], [187]-[188].

Analysis

Identical services

28. As I have already said it was not disputed that the Defendants' signs complained of are used in relation to services which are identical to those for which the mark is registered. I have mentioned "telecommunication services" and "computer services" but there were many more: see Annex 5 to the Particulars of Claim for a full list.

Average consumer

29. The Defendants submitted that the average consumer was an experienced business person with knowledge of or experience in information technology and who is obtaining services for his/her own business or their employer's business, such that he or she had a high level of attention. The Claimant did not dissent from this, although it pointed out that allowances still have to be made for imperfect recollection. I accept both submissions.

Perceiving the mark as a whole

30. The case law is clear that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. It seemed to me that both sides were guilty to some degree of over-analysing the various details, although I accept that it is difficult to avoid doing so when considering each of visual, aural and conceptual similarity as is required.

Visual similarity

The Defendants' word sign

31. Visually the Defendants' CORETX sign (ie the word) is almost identical to the Claimant's mark. Indeed the only difference – that is, between the "i" and the "t" – is easy to miss. The Claimant showed the marks in upper and lower case as follows:

COREIX coreix

CORETX coretx

32. To be more precise, the first 4 letters are identical; they have the same length; the last letter is the rare (and hence visually striking) letter X; and even the only different letter (i versus t) is visually similar.

The Defendants' logo sign

33. It was not disputed that it was legitimate to consider the Claimant's mark in any font (see **Peek & Cloppenburg v OHIM** [2010] ETMR 20 at [27]) so the comparison between the Defendants' logo and the Claimant's mark can be shown as follows:



COREIX

34. There is some visual emphasis placed on the TX at the end of the word in the Defendants' logo, and I accept that in visual terms the average consumer might regard the dominant part of Defendant's sign as being CORE-TX (ie two linked elements) rather than a single element CORETX. However both sides accepted that the context of the use was important: see **Specsavers v Asda** [2012] FSR 19, CA. On the evidence, the Defendants' word sign was sometimes used on its own (eg in a text article about the Defendants' business) and sometimes in conjunction with their logo (eg on the Defendants' website). Conversely the Defendants' logo always seemed to be used in conjunction with the word and I was not shown any examples of the logo being used without the word somewhere nearby. It follows that the use of the CORETX word forms part of the context in which the CORETX logo is used. This context would reinforce the impression of the average consumer that the sign has a single element, not two. In any event the context of the use of the logo on the Defendants' website and in its business documents will be that CORETX is the name of the Defendants' business.
35. There was a suggestion in the Defence that the TX and IX parts each played distinctive roles within the marks, and that the CORE part would be ignored as having low or no distinctive character since it was said to be a common prefix in the IT industry. I reject this argument since there was no evidence to support the premise that CORE was a common prefix in the industry. There was merely evidence from Mr Hawkins about what he said was a large number of trade marks beginning with CORE on the trade marks register; plus some anecdotal references to one or two companies which were said to have names beginning with the prefix CORE and to do some sort of business in the computer industry. There was no specific evidence about what these companies actually did, how they used their marks, or on what scale. Furthermore the idea that the TX and IX parts each played distinctive roles was difficult to square with the Defendants' argument that these parts were descriptive, an argument picked up by the Claimant: see below.
36. Nothing else about the Defendants' logo is particularly distinctive in visual terms. The red and white logo is not such, and the words "MANAGE CONNECT PROTECT" are ordinary English words being used in a descriptive way.
37. In my judgment the logo sign is also visually similar to the Claimant's sign, although not as similar as the respective word marks are.

Aural similarity

38. Neither the mark nor the sign is an ordinary English word, so they have no standard pronunciations, and neither side adduced any expert evidence as to how they would be pronounced.
39. One might have thought that the Claimant's mark would be pronounced CORR – IKES, or perhaps CORR – EYE - EX. However the Claimant gave undisputed evidence that it was always referred to as CORR-EX.
40. One might also have thought that the Defendants' sign would be pronounced CORR – ECTS (ie as in "corrects"), or CORR – ET - KS (which is difficult for English speakers). There was no evidence as to how anyone would pronounce the Defendants' sign without being told, and indeed there was some evidence that the Defendants were still being called C4L in the market. However there was also evidence that the Defendants made a positive effort to teach people their mark should be pronounced CORR – TEX, and this is how all of the Defendants' in-house witnesses at trial pronounced it.
41. In all of these possible permutations, the words have an identical first syllable (CORR) and an identical finish (X). Whatever the difference in the middle, the respective words are highly aurally similar. The Defendants' logo is also aurally similar to the Claimant's sign, since the "MANAGE CONNECT PROTECT" words are merely descriptive.

Conceptual similarity

42. Neither the mark nor the sign has any conceptual meaning. The Claimant submitted that in such cases, the average consumer will break a mark (or sign) down into elements which suggest a concrete meaning or which resemble words known to him, citing **IG Communications v OHIM** [2013] ETMR 17 at [71].
43. However that was a case where the signs in question had elements which were themselves familiar – eg the element "Citi" and then elements like "bank", "corp", "group", etc. Here I am not so sure that average consumers would go through the mental exercise of breaking the marks down into elements, particularly given that (as I say above) the average consumer will normally perceive a mark as a whole.
44. I do however accept that *if* the average consumer does go through the mental exercise of breaking down the mark and sign into elements, the end result is that there will be conceptual similarity for the following reasons.
 - i) There is a common element of CORE at the beginning, and whatever this is taken to mean will be the same in each case.
 - ii) It was common ground on the evidence that TX was widely regarded as an abbreviation for "transmit" in relation to data transmission. The Defendants also alleged, and the Claimant did not dispute, that IX was commonly understood to stand for "information exploitation" or "internet exchange". The Claimant submitted that IX was thus also related to data transmission and the Defendants did not dispute this either. On this basis these elements are conceptually similar too.

Distinctive character of earlier mark

45. The Claimant submits that its mark is an invented word which makes no more than a vague conceptual hint or allusion to the services for which it is registered, and as such is inherently highly distinctive when used in relation thereto. I agree.
46. The Claimant also relied on further distinctive character acquired through use, and in particular on the following. The key date for purposes of attacking D3's trade mark is 14 November 2013, which is the earliest date that matters to the pleaded issues, but it was not suggested that the distinctive character reduced thereafter (eg by 2016).
- a. Between 2003 and August 2013 the Claimant had generated a total turnover of trade conducted under or by reference to the mark of around £15million. Its annual turnover in 2012-2013 was around £3million. Around $\frac{3}{4}$ of this trade was in the UK. None of this was challenged.
 - b. The Claimant spent just under £30k on marketing and promotion of its mark in 2008, rising to just over £60k in 2013 (much of which was online). The Claimant also attended a number of trade shows and conferences to promote its business under the mark. None of this was challenged either, nor was it said to be trivial.
 - c. The Claimant has received a number of glowing testimonials and high ratings from the users of its service on various industry websites, including www.serchen.co.uk and Web Hosting Talk. I was shown a number of such testimonials and ratings and in particular was shown that the Claimant was referred to simply as "Coreix". The Defendants did not suggest these reviews were unrepresentative.
 - d. The Claimant also referred to the fact it has been nominated for and has won a number of industry awards. It is true that some of the reviews and awards post-dated 2013, although not all of them. The Claimant made the point that even those which did post-date 2013 reflected historic performance by the Claimant.
47. In my judgment the evidence relied upon by the Claimant amply supports its case on acquired distinctiveness. It follows that the Claimant can rely on both inherent and acquired distinctiveness in support of its case under s 10(2).

Actual confusion

48. Finally I come to the issue of actual confusion. Before going into detail I should explain that it was common ground that the parties were competitors. For instance Mr Hawkins explained that the Claimant was one of many competitors to D3, and also was both a customer and a supplier to D3. Mr Dean also pointed out that the Claimant would regard nearly all of D3's actual customers (with the exception of the biggest 5 or so) as potential customers for the Claimant. It follows that I do not accept the Defendants' submission that the parties operated in different parts of the computer industry. However as the Defendants' internal

documents showed, and as was confirmed by Mr Dean, they did not actually have many customers in common. Indeed there seemed to be only 2 examples, one being a company called Digital Craftsman and the other being Barclays Bank.

49. Against that background there were 2 main categories of evidence.
- i) The first was evidence from security guards, delivery firms, and the like relating to a data centre facility owned and controlled by a company called Virtus (“the Virtus Data Centre”). The Claimant’s data centre was located within the Virtus Data Centre, in data hall DH5, and the Claimant also had staff on site. The Defendants also took space within the Virtus Data Centre. It was not clear to me precisely what the Defendants’ actual presence at this site was, but it did at least have some machines in data hall DH6b and Mr Latter told me that he had seen parcels addressed to the Defendants in the mail room at the Virtus Data Centre.
 - ii) The other was Mr Lee-Johnson’s evidence about trade shows he had attended, namely Cloud Expo 2016 on 12 April 2016, Internet of Things on 12 May 2016, and the Cloud and Infrastructure Summit 2016 on 22 September 2016.

Security guards and delivery firms

50. Mr Latter explained how he set up an order for some blanking panels with a third party company called Acal BFI UK on 1 June 2016. He submitted documents showing his name, the Claimant’s name, and the Claimant’s address at the data centre. However when the order came to the data centre on 2 June 2016 the package and delivery note were actually addressed to “Steve Latter, CORETX”. As he says, somebody had wrongly substituted the Defendants’ name for that of the Claimant.
51. Mr Ganchev described two further instances of confusion encountered at the Virtus Data Centre.
- i) On 15th April 2016 the security team at the centre tried to deliver a parcel which was addressed to Coretx to the Claimant. He explained that it took some persuasion before the security team realised that the parcel was actually for the Defendants, not the Claimant, even though it had the Defendants’ name on it.
 - ii) A more serious incident occurred on 9th June 2016. A customer of the Defendants, Mr Rhys Evans, was duly granted rights of access by the Defendants to access their data hall (DH6b). However Mr Evans needed access to the Claimant’s data hall, DH5. Although the security staff are required to have special security training (under an industry qualification which lasts for 3 years) they mistakenly contacted the Defendants. The Defendants then wrongly granted approval which they had no power to give, and thereby Mr Evans was given access to DH5. Mr Ganchev became aware of the issue as he passed the security desk himself and raised the alarm. After what I imagine were heated discussions between

the Claimant and the security staff, Mr Evans was escorted from the building although he was allowed back in later. Mr Latter confirmed Mr Ganchev's account.

52. The Claimant's evidence did not include any evidence from the person who actually made the mistake in question on either occasion, let alone explore just why that person had made that mistake. Moreover as the Defendants pointed out none of the apparently mistaken people could have been representative of the average consumer for the registered services.
53. However it seems clear to me that the reason for this confusion was the similarity of the names, coupled with the well-known fact that the human eye tends to see what it expects to see: see eg **Enterprise Holdings v Europcar Group** [2015] FSR 22 at [202]. The Defendants did not have any convincing alternative explanation. For instance there was no suggestion that the Defendants also employed a Mr Latter, or that the Defendants had free access to the Claimant's data hall. The Claimant also points out, rightly, that whilst errors in deliveries are one thing the security staff at the data centres were trained to exercise a high degree of attention to detail.

Trade shows

54. Mr Lee-Johnson explained that at the Cloud Expo 2016 he was approached by someone who raised questions about network problems. According to Mr Lee-Johnson, it became clear that these problems related to C4L, prior to its name change and that the person who had approached him had been confused by the two names. Mr Lee-Johnson did not give the person's name or any details about him.
55. Mr Lee-Johnson was later approached at the Internet of Things event by a man called James Walker. Mr Walker said that a friend of his had suffered network problems with the Claimant and also commented on the Claimant's "change of colour" from red and white branding. According to Mr Lee-Johnson, this was more confusion between the Claimant (which had never had red and white branding) and the Defendant (which had). Mr Lee-Johnson's evidence was not consistent as to what the friend was or did. His contemporaneous notes record being told that the friend was an employee of the Claimant, whereas his statement had said for the first time that the friend was a customer of the Claimant. He could not explain the inconsistency.
56. Mr Lee-Johnson also gave evidence about his meeting with a Mr Clive Stone at the Cloud & Infrastructure Summit on 22 September 2016. He said that Mr Stone approached him on the Claimant's stand and started asking questions about network and service problems and also asked about the connection between Coreix and Coretx. Mr Lee-Johnson also said that as the conversation went on, it became clear to him that Mr Stone had (wrongly) assumed that Coreix and Coretx were connected or the same, and that the 'IX' component related to one type of network ("the transit network") whereas the "TX" component related to another type of network ("the metro network"). Under cross-examination Mr Lee-Johnson was asked for more detail and duly provided it, but his basic evidence as summarised above did not materially change.

57. I should say at this point that the Defendants accepted C4L had had a network outage lasting for 2 days in August 2015. There was a dispute between the parties as to quite how seriously this outage was regarded by the industry but there was no dispute that it had happened. Furthermore it was clear on the evidence, and I find, that such network outage happened to network services supplied under the mark C4L and not to services supplied under the “coreTX” mark. The Defendants’ witnesses explained that the coreTX services used newer and better equipment, with the result that the users of the coreTX service did not suffer any such problems and had no negative perception of the coreTX brand.
58. The statement signed by Mr Stone is entitled “Draft Statement of Clive Stone” and was signed by him on 24th November 2016. It contained a statement that “*The facts stated in this witness statement are true to the best of my knowledge and belief*”. In it Mr Stone says that he is the managing director of Waveclear Limited, a telecoms consultancy, and gave evidence about his meeting with Lee-Johnson at the Cloud & Infrastructure Summit 2016. His evidence essentially agreed with Mr Lee-Johnson’s evidence as set out above, but with a little more detail. For instance Mr Stone adds that he knew that C4L had rebranded to Coretx, and he approached the stand because he thought it was C4L’s stand. However Mr Stone confirmed that he thought Coreix and Coretx were part of the same group of companies and that Coreix related to the company’s transit network whereas “Cortex” [his mis-spelling] related to the company’s metro network.
59. Mr Stone did not voluntarily attend for cross-examination nor did the Claimant issue a witness summons requiring that he do so. The Claimant explained that it did not do so because it did not consider his evidence important enough for a summons, but the Claimant also recognised the tension between this position and a submission that Mr Stone’s evidence was still important enough to be relied upon.
60. In closing, the Claimant made it clear that it only relied on the evidence as corroborating that of Mr Lee-Johnson. In estimating the weight to be given to Mr Stone’s statement section 4(2) of the Civil Evidence Act 1995 provides a useful checklist of factors. In this case it seems to me that it would have been reasonable and practicable for the Claimant to have produced Mr Stone; but his statement was made only 2 months after the events in question; there is no multiple hearsay in it; no motive was given as to why Mr Stone would lie, and indeed he signed a statement of truth; and the statement was produced for purposes of this case. Another important part of the relevant circumstances (as per section 4(1) of the 1995 Act) is that I have heard and accepted Mr Lee-Johnson’s account of the same meeting, and Mr Stone’s account agrees with it. Taking all these factors into account it seems to me that I can properly rely on Mr Stone’s evidence for the limited purpose of corroboration, but that it does not take me much further than Mr Lee-Johnson’s evidence alone.
61. Mr Lee-Johnson was clear enough on the main points in his evidence. I was surprised as to why he said Mr Walker’s friend was a customer in his statement when his own contemporaneous notes said otherwise, but this is not an important point and with that exception I accept his evidence. I do not find it all

surprising that people at trade shows were confused between the COREIX mark and CORETX sign when used in relation to identical services since they are so very similar.

62. Finally, it was put to both Mr Deans and Mr Lee-Johnson in cross-examination that there was only limited evidence of actual confusion. Both of them took that opportunity to say that there were many more examples. Mr Dean added that even those who already knew the Claimant were confused by the Defendants' sign, so those who did not already know the Claimant must have been even more confused. Mr Dean and Mr Lee-Johnson explained that they had not included this additional material in their witness statements because it was undocumented. It was not put to them that they were making this up and I accept their evidence.

Conclusion on likelihood of confusion

63. I am in no doubt that the Claimant has established a likelihood of confusion as required by s 10(2) of the Act. I accept that the average consumer for the relevant services has a high degree of attention, but all of the other factors discussed above point in favour of the Claimant. I refer in particular to the identity of the services, the similarities of the mark and signs, the distinctive character of the mark, and the possibility of imperfect recollection.
64. Actual confusion is not required but it supports this conclusion. Where there is side by side use (eg in relation to the Virtus Data Centre) there is confusion.
65. It also seems to me that if (as I doubt) the average consumer does go so far as dissect the mark into its elements, then this assists the Claimant's case and not that of the Defendants. This is because of the Defendants' case that TX and IX would be understood as standing for different sorts of services. So the average consumer would in such circumstances assume that COREIX and CORETX referred to different sorts of services provided by the same economic undertaking: in other words, would suffer the sort of confusion which was witnessed by Mr Lee-Johnson.
66. This conclusion applies to both the word mark and to the logo mark. The high point of the Defendants' case on the logo is the fact it has lower visual similarity (in particular as regards the emphasis on the TX at the end) but this does not outweigh the other factors mentioned above, such as the context of the use of the logo sign and the other aural and conceptual similarities.

Registered trade mark infringement under s 10(3) of the 1994 Act/Art 5(2) TMD

Legal context

67. The law on s 10(3) was set out by the Court of Appeal in **Comic Enterprises v Twentieth Century Fox Film Corp** [2016] FSR 30 at [107]-[123]. There are no less than 9 requirements which a claimant has to satisfy (see [111], citing **Interflora v Marks & Spencer** [2015] FSR 10 at [69]) but not every factor arises in every case. In this case the issues were (a) whether the Claimant's mark has a reputation in the relevant territory (b) whether it gave rise to a link

between the sign and the trade mark in the mind of the average consumer (c) whether it gave rise to one of three types of injury, commonly referred to as dilution, tarnishing, or free-riding respectively (d) whether the Defendants' use was without due cause. As regards the type of injury, the Claimant relied primarily on dilution but also on tarnishing and free-riding.

68. Arnold J held in **Red Bull v Sun Mark** [2012] EWHC 1929 (Ch) [2013] ETMR, that the requirement that the mark have a reputation is not particularly onerous. In **Comic** the nature of the test was not in issue since it was conceded that it was satisfied on the facts: see **Comic** at [133].
69. In **Comic** the Court of Appeal considered the case law of the Court of Justice in relation to the proof which is required in relation to dilution (ie detriment to distinctive character): see its discussion of **Intel Corp v CPM United Kingdom** (C-252/07) [2008] E.C.R. I-8823; [2009] R.P.C. 15 and **Environmental Manufacturing LLP v OHIM** (C-383/12). In short the law requires evidence of a change in the economic behaviour of the average consumer of the goods or services for which the earlier mark was registered consequent on the use of the later mark, or a serious likelihood that such a change will occur in the future. A serious risk of detriment can be established by logical deductions, but any such deduction cannot be supposition and must instead be founded properly on all the circumstances of the case and the nature of the trade in issue.
70. Free-riding (ie taking unfair advantage of the distinctive character or repute of the trade mark) was considered by Arnold J in **Jack Wills v House of Fraser (Stores)** [2014] FSR at [75]-[80]. He concluded that the defendant's conduct is most likely to be regarded as unfair where he subjectively intends to benefit from the reputation and goodwill of the trade mark. However there is nothing to preclude the court from concluding in an appropriate case that the use of a sign the objective effect of which is to enable the defendant to benefit from the reputation and goodwill of the trade mark amounts to unfair advantage even if it is not proved that the defendant subjectively intended to exploit that reputation and goodwill.
71. Finally in **Comic**, the Court of Appeal considered the Court of Justice's case law in relation to "due cause": see **Interflora** [2012] ETMR 13, **Red Bull** [2014] ETMR 24.

Analysis

72. In my judgment the Claimant's mark has a reputation in the UK, for the reasons set out in relation to acquired distinctiveness above. The Defendants did not make any serious argument to the contrary. The evidence of actual confusion at trade shows reinforces this finding, albeit only to a limited extent since the evidence of actual confusion is itself limited. If the Claimant's mark did not have any reputation, there would not have been any actual confusion.
73. The Defendants' use also gives rise to the necessary link between its sign and the Claimant's trade mark in the mind of the average consumer. This follows (*a fortiori*) from my conclusion on s 10(2).

74. So far as damage was concerned the Claimant made it clear that it relied on dilution, tarnishing, and free-riding in that order. The Claimant's evidence of a change in the economic behaviour of the average consumer of the goods was as follows:
- i) First, the evidence of confusion itself. It was submitted that this showed that the ability of the average consumer immediately to identify the Claimant's services offered under the mark had diminished. This had led and/or would lead to a change in economic behaviour.
 - ii) Secondly, the Claimant submitted that the scale of the Defendants' infringement was such that the reputation of its mark was swamped: see **Sutherland v V2 Music** [2002] EMLR at [48]. In particular, the Defendants' business had at one point been about 4 times as big as that of the Claimant, but was now even bigger, hence its continued infringement was likely to destroy that reputation. This also had led and/or would lead to a change in economic behaviour.
 - iii) Thirdly the Claimant said that its turnover had (in the Claimant's view) suffered. However as the Defendants pointed out the Claimant's turnover actually continued to rise during the period of the alleged infringement, even if this rise was not at the 12% rate of growth which the Claimant had come to enjoy in previous years.
 - iv) Fourthly the Claimant drew attention to various further documents. One was a letter dated 23rd February 2017 from Simon Wilcox of Digital Craftsmen in which Mr Wilcox gave his personal belief that there was "*lots of opportunity for confusion between the two brands*". Mr Wilcox did not give evidence at trial. Another was a confused transcript of a telephone call between Mr Lee-Johnson and a Mr Luke Shelvin. Mr Lee-Johnson was cross-examined on this call and he admitted that it was not as relevant as a previous telephone call he had with Mr Shelvin, which he had not recorded. Another was an email from "Michael" of VM Hosts who said he fully agreed with the Claimant's displeasure about the Defendants' name change. Michael did not give evidence at trial. None of this evidence took the Claimant's case very far.
75. I am satisfied that the Claimant has proved a change in the economic behaviour of the average consumer of the goods. This is for the first two reasons set out above. I do not accept that either (iii) or (iv) proves any such change.
76. The Claimant's only case on tarnishing relied on what it said was the poor quality (and in particular poor reliability) of the Defendants' services, and this in turn relied on the 2 day outage of C4L's network in 2015. I accept that this may have damaged the reputation of C4L, but none of the customers on the coreTX network was affected. The evidence does not establish that the Defendants' services supplied under the marks complained of are low quality and hence this argument fails.
77. So far as free-riding is concerned I will begin by considering the Defendants' subjective intention.

- i) First, the Defendants were about 4 times the size of the Claimant. It is not impossible that the larger group might want to free-ride on the reputation of the smaller company's mark but this is uncommon.
 - ii) Secondly, Mr Hawkins explained how he had, with some assistance from Mr Barter, come up with the coreTX name in 2013. In fact Mr Hawkins's original idea for the mark was CORTEX because he wanted a reference to the cerebral cortex of the brain. However due to what he said was an issue with a third party trade mark registration it was changed to coreTX which he thought was even better. This evidence was corroborated by Mr Barter. I accept this explanation as to where the Defendants' name originally came from. Hence it had nothing to do with the Claimant.
 - iii) Thirdly when Mr Dean was asked in cross-examination whether he *really* believed that the Defendants wanted to benefit from the reputation of the Claimant's mark, his answer was hesitant and lacked conviction. I appreciate that Mr Dean had no first hand knowledge one way or the other, so I attribute only limited significance to his answer, but he was as well placed as anyone to assess whether this part of his company's case was realistic and he did not appear to think that it was.
 - iv) That leaves the fact that it was Mr Ross who selected CORETX as the name of the group in 2016, coupled with the fact that Mr Ross did not attend trial. This needs more detailed consideration.
78. The Claimant did submit that I should draw an adverse inference about Mr Ross's non-attendance at trial, citing **Wisniewski v Central Manchester Health Authority** [1998] PIQR 324. In **Wisniewski** Dr R (a consultant) was directly faced with a charge that his negligence had caused a catastrophe and chose not to attend the trial: see p 343. However the specific adverse inference which the Claimant actually said I should draw in this case related to another issue entirely, not s 10(3). In particular the Claimant submitted that I should prefer the Claimant's evidence about what Mr Dean said to Mr Ross (and vice versa) at the April 2016 show. This was something which the Claimant had expressly pleaded in its Reply as part of its answer to the acquiescence defence: see its skeleton argument at paragraphs [27]-[28] and [30], and its Reply at [15]. The Claimant did not plead that any adverse inference should be drawn from Mr Ross's absence in relation to free-riding so I decline to do so. It would not be fair upon the Defendants if I did.
79. In any event the evidence at trial established that prior to the actual decision a number of people within the Defendants had discussed the new name, including Mr Phipps: it was not Mr Ross's sole decision. There is no evidence to show that at any stage of these deliberations anyone at the Defendants (whether Mr Ross, or anyone else) ever intended to take advantage of the Claimant's reputation. Indeed the Defendants' contemporaneous documents did not even mention the Claimant or its mark.
80. I find that that the Defendants had no subjective intention to benefit from the reputation and goodwill of the Claimant's trade mark. Nor is this a case where I

can properly conclude that the objective effect of the Defendants' sign was to enable the *Defendants* to benefit from the reputation and goodwill of the *Claimant's* trade mark. I therefore reject the Claimant's case under this limb of s 10(3).

81. So far as due cause was concerned, the Defendants submitted that this was to be considered in the context of their estoppel defence. Specifically the Defendants submitted that D3 had traded under the coreTX sign between 2013 and 2016 without complaint by the Claimant. The Defendants did not suggest that merely getting away with infringement for 3 years amounted to "due cause" in circumstances where the Claimant's own use had started in 2003 but held that "due cause" was established for the same reasons as their estoppel defence succeeded. No other reasons were put forward as to why "due cause" for the Defendants' use would be established. I will therefore do as the Defendants urged me to do, and consider estoppel before reaching a final conclusion on s 10(3).

Passing off

Legal context

82. Neither side spent much time on this, since they both relied on the same arguments as in relation to s 10(2). The relevant principles are set out in **Reckitt & Colman v Borden Inc** [1990] 1 WLR 491: essentially the Claimant has to prove goodwill, misrepresentation, and damage. The date for assessing passing off is the date at which the Defendants commenced the activities complained of: see **Cadbury-Schweppes v Pub Squash** [1901] 1 WLR 193.
83. In its opening skeleton the Claimant referred to the case law about "*instruments of fraud*": see eg **British Telecommunications v One in a Million** [1999] FSR 1 at 18. However as that passage makes clear there is no need to resort to the doctrine in cases where passing off is established or threatened and the topic was not pressed in submissions.

Analysis

84. The relevant date so far as the use of coreTX between 2013 and 2016 is concerned would be 2013, but as a result of my ruling this is not in issue. The relevant date so far as the word CORETX and the CORETX logo are concerned is April 2016. Neither side identified anything which turned on the precise date.
85. In my judgment the Claimant has a goodwill in its mark for the same reasons as I set out above in relation to the acquired distinctiveness and reputation of its mark. There is a misrepresentation by the Defendants (in relation to both the word CORETX and the CORETX logo) for the same reasons that there is a likelihood of confusion under s 10(2), and damage will occur for the reasons set out in relation to dilution under s 10(3). I do bear in mind that the legal tests are different but the Defendants did not give any reasons as to why these conclusions on passing off would not follow from conclusions I reached on the trade mark case. Indeed the Defendants themselves positively urged me to reach the same conclusions on both causes of action, and for the same reasons. Their

position was that if they won on both s 10(2) and 10(3) they should win on passing off.

Estoppel

Legal context

86. The Defendants rely on estoppel by convention, estoppel by representation, and acquiescence: see Defence at [31]. They also submitted that they could all be addressed as one (see their skeleton argument at [26]) although I will deal with estoppel separately.

87. In relation to acquiescence I was referred to the familiar authorities of **Habib Bank Limited v Habib Bank AG Zurich** [1981] 1 WLR 1265, 1285 and **Electrolux v Electrix No. 2** (1954) 71 RPC 23. In **Electrolux** Slade LJ, with whom Morris LJ agreed, said this at p 40:

“As to the question of acquiescence, the matter may perhaps be put in this way: When the Defendants started using the word “Electrix”, they either knew of the Plaintiff’s mark “Electrux” or they did not. If the Defendants did know of it then they adopted and used “Electrix” at their peril and were not entitled to assume that the Plaintiffs accorded them their consent to the infringement involved merely because the Plaintiffs, knowing of the Defendant’s use of “Electrix”, did nothing to enforce their rights. In this alternative, it would have been for the Defendants to apply for and obtain the Plaintiff’s consent to their use of “Electrix”, or, failing that, to apply for and adopt some other name instead of it. If, on the other hand, the Defendants did not know of the Plaintiffs’ mark, “Electrux”, that could only be because they omitted to take the precaution of searching the Register of Trade Marks.... even in the second of the two alternatives above stated, I fail to see how the Plaintiff’s delay in taking proceedings after becoming aware of the Defendants’ use of “Electrix” can be held to have led the Defendants to spend money in building up the goodwill associated with “Electrix” in the belief, induced by such delay, that they were entitled to use that name.”

88. These cases (and others) draw a clear distinction between mere acquiescence or inaction on the one hand, and encouragement or the creation of expectation on the other, which is a fact-specific enquiry: see also **Dyson v Qualtex (UK)** [2005] RPC 19, Mann J. The Court of Appeal has more recently emphasized that the Court needs “*to take a flexible and very fact-specific approach to each case in which an estoppel by acquiescence is relied upon*”: see Patton LJ (with whom Jacob and Sedley LJ agreed) in **Lester v Woodgate** [2010] EWCA Civ 199 at [39], [51], [52].

89. The law on estoppel by convention and estoppel by representation was reviewed by Akenhead J in **Mears v Shoreline** [2015] EWHC 1396, TCC: see in particular [43]-[51]. If I might summarise, estoppel by convention arises where the parties share an assumption and at least the party claiming the benefit thereof relies upon it (in the sense of acting upon or being influenced by it): see [51(b), (c)]. The estoppel can come to an end and will not apply to future dealings once the common assumption is revealed to be erroneous: see [51(f)]. Estoppel by representation is distinct but overlaps with estoppel by convention, and may be summarized as follows:

“First, A makes a false representation of fact to B...Second, in making the representation, A intended or knew that it was likely to be acted

upon., B, believing the representation, acts to its detriment in reliance on the representation. Fourth, A subsequently seeks to deny the truth of the representation. Fifth, no defence to the estoppel can be raised by A”.

90. Finally the Claimant submitted that none of the above could amount to a defence to the trade mark case, citing **Marussia v Manor** [2016] ETMR 32 at paras [84]-[96]. That was a case about an EUTM, not a national trade mark, and Males J concluded that no estoppel defence was available as a matter of European trade mark law. In particular Males J held that following **Zino Davidoff v A & G Imports** [2002] Ch 109 the issue of consent could not be a matter for the national laws of the member states, and that estoppel was a rule of national law which operates as a kind of deemed consent regardless of actual consent: see [90]-[92].
91. The Claimant submits that the same reasoning should apply to a national mark since the UK Act was enacted pursuant to the Trade Marks Directive, which has substantially the same provisions as the EU Trade Mark Regulation; and indeed the reasoning of Males J relied on **Martin Y Paz** [2014] ETMR 6, a decision of the CJEU made under the Directive. The Defendants did not agree with this but gave no convincing reason as to why not.
92. I understand that there was going to be an appeal to the Court of Appeal in **Marussia**, but that the case settled before a hearing. This is clearly an important issue for trade mark law generally and in the absence of any sufficiently cogent reasons not to follow **Marussia** I will follow it. Thus acquiescence/estoppel cannot be relied on to provide a defence to the trade mark case but it can be relied upon as a defence in relation to the passing off case.

Analysis

93. By the time of closing speeches, the Defendants relied on two main points. The first was the Claimant’s failure to take any action in relation to D3’s use of the coreTX mark from 2013 to 2016. The second was the fact that the parties continued to do business with each other generally. The Claimant disputed the Defendants’ case on both points.

The Claimant’s failure to take action in relation to coreTX

94. Mr Dean’s evidence was that he considered whether to take legal proceedings about it but made a commercial decision not to do so. He explained that this commercial decision was motivated in part because the Claimant was doing business with D3. I accept this evidence.
95. It was not put to Mr Dean that the Claimant had offered any encouragement to D3 over and above the fact that it had not sued D3. All that was put to him was that “the Defendants” might have relied on the Claimant’s failure to sue. As I have already said, he charitably accepted that they might have done so but this was merely his speculation given in response to an invitation to speculate.
96. Mr Dean was also specifically cross-examined about what Mr Andy Ross had said to Mr Dean at the April 2016 show. Mr Dean said that Mr Ross told him at

the show that the Defendants had considered the Claimant's trade mark when taking advice in preparation for the rebrand; that the Defendants had considered that they did not infringe the Claimant's mark; and that Mr Ross at no point suggested there had been any reliance by the Defendants on any representation by the Claimant. I accept Mr Dean's evidence, which was not contradicted by any evidence from the Defendants. (I should say that I was not asked to rule on whether Mr Ross had thereby waived privilege in legal advice, both sides preferring to leave that one where it lay).

97. Indeed Mr Dean's evidence was confirmed by the Defendants' own internal documentation, on which Mr Phipps was cross-examined. At no point in this documentation did the Defendants ever refer to anything said or done by the Claimant, let alone say they were relying on it. When Mr Phipps was asked about what the Defendants thought about the difference between COREIX and CORETX he said "*We felt it was significant enough to differentiate ourselves.*" Thus, far from relying on any representation or encouragement made to D3 by the Claimant, the Defendants formed their own view that they did not infringe and then relied on their own view. I reach this conclusion without needing to draw any inference from Mr Ross's absence at trial.
98. Moreover it is important to note that the nature of the Defendants' use of coreTX over the period 2013-2016 was very different to its use of CORETX after April 2016.
- i) Mr Barter said that although coreTX was used alongside the C4L brand, C4L remained the primary brand. This point was amply supported by a number of photographs taken of D3's stand at various trade shows, all of which confirmed Mr Barter's evidence that coreTX and C4L were used together.
 - ii) Furthermore the use of coreTX was all in relation to a specific type of network called an MPLS network. Mr Hawkins explained that the actual go-live date of the coreTX network was delayed and it was only officially launched in late 2015 or early 2016. The use of CORETX was as the name of the Defendants' entire business.
99. Hence the circumstances of the use changed substantially between the old mark and the new mark. It follows that even if there had been any encouragement by the Claimant to D3 in relation to the old use of coreTX over 2013-2016, it does not follow that this would have amounted to (or have been understood to amount to) any encouragement by the Claimant to the Defendants to use their new marks for a new purpose from 2016 onwards.

The fact that the parties continued to do business with each other generally

100. This is certainly an unusual feature of the case. As a matter of general principle, the idea that by doing business with someone you automatically approve of every aspect of the way in which they conduct their business is a challenging one. There may be circumstances in which this does follow but it will require a careful examination of the facts.

101. In the present case, the Claimant demonstrated from the Defendants' own internal documents that over the period 2013-2016 there were only 2 invoices from the Defendants to the Claimant, and that neither of them had anything to do with the coreTX service. The Defendants were not able to give a convincing argument as to why this should amount to any form of encouragement, creation of expectation, or acquiescence by the Claimant in relation to D3's use of the coreTX mark.

Conclusion on acquiescence and estoppel

102. In these circumstances I reject the defence of acquiescence. There is nothing unconscionable about allowing the Claimant to enforce its rights.

103. The defences of estoppel can likewise be dismissed.

i) As regards estoppel by convention: even if there had been a common assumption (eg that the Claimant would never sue in relation to the coreTX mark, or variants thereof), the Defendants did not rely on that assumption. This assumption also came to an abrupt end in April 2016, within 77 minutes of the use complained of becoming known to the Claimant.

ii) As regards estoppel by representation, the Claimant never made any representation to D3, let alone any of the other Defendants. The Claimant never intended any such representation to be acted upon. There was no such reliance by any of the Defendants.

104. It also follows that even if (contrary to my view on the law following **Marussia**) these defences were available in relation to the trade mark claim, they fail on the facts anyway. I also agree with the Claimant that even if any of these defences had been established, only D3 could benefit from them and not the other Defendants. No logical reason was given as to why this would not follow.

105. I now return to s 10(3) and the issue of "due cause" in particular. For the same reasons as I have dismissed these equitable defences, I reject the Defendants' case that they had "due cause" to use the marks complained of. The Claimant's case under s 10(3) succeeds.

Validity of D3's registered trade mark

106. I can deal with this as shortly as the parties did. The grounds of invalidity relied upon are set out at paragraph [31] of the Particulars of Claim and arise under ss 5(2), 5(3), 5(4) of the Act (see Art 4 TMD). These correspond to s 10(2), 10(3), and passing off which I have already considered.

107. The comparison here is between D3's mark as registered (namely CORETX in capitals) and the Claimant's mark as registered (in relation to 5(2), 5(3)) and used (in relation to 5(4)). The services of D3's mark are identical to those for which the Claimant's mark has been registered or used as the case may be. In particular these services are all within the telecommunications services of class 38. All 3 grounds of attack succeed and D3's registered trade mark is invalid.

Other issues

108. There are a number of smaller issues which need to be resolved. One is domain names and the other is the position of D5.
109. These domain names have been and/or will be used in relation to the Defendants' business, ie in relation to telecommunications services and/or computer services. The Defendants did not suggest they were ever likely to make any other use of such domain names. So far as the "coretxnetwork" domain name is concerned, I think it is realistic to assume that the average consumer will break it down into the elements "coretx" and the purely descriptive "network", precisely because it is a domain name. If so, then the average consumer will naturally focus on the "coretx" part and the reasoning set out above will apply. No reason was given as to why the result on the domain names, ie coretx.com and coretxnetwork.com, should be any different to that on the main CORETX marks considered above. As such the Defendants' use of both domain names will amount to infringement of the Claimant's registered trade mark and passing off.
110. D5 changed its name from Mimic Limited to Coretx Media Limited in April 2016, but changed it back to Mimic Limited on 13th September 2016. The Claimant asks me to draw an inference that it probably did something which infringed at some point, and/or to draw an inference from its name that it intended so to infringe. There is no direct evidence that it ever committed an act of infringement during the period in which it was called Coretx Media Limited. There is no suggestion that D5 intends to infringe in the future now that it has gone back to being called Mimic Limited. If the issue of infringement during the 5 month period between April and September had been important, then it is something which the Claimant could have pursued before trial but it only arose at the very end of closing speeches. In the circumstances I do not feel I have enough information to justify a finding of registered trade mark infringement or passing off by D5 and I therefore decline to do so.

Conclusion

111. In summary:
- i) The action succeeds on each of ss 10(2) and 10(3) of the Trade Marks Act 1994, and passing off.
 - ii) The defences of acquiescence and estoppel fail.
 - iii) D3's registered trade mark no. 3 030 562 is invalid.