

O-401-14

TRADE MARKS ACT 1994

IN THE MATTER OF REGISTRATION NOS. 2602238 AND 2600186 IN THE
NAME OF UNIKA COLOR PRODUCTS LTD IN RESPECT OF THE
FOLLOWING TWO TRADE MARKS IN CLASS 17:

The logo for 'panellock' features the word 'panel' in white lowercase letters inside a red rectangular box, followed by the word 'lock' in grey lowercase letters.

AND

The logo for 'plinthlock' features the word 'plinth' in grey lowercase letters, followed by the word 'lock' in white lowercase letters inside a red rectangular box.

AND CONSOLIDATED APPLICATIONS FOR A DECLARATION OF
INVALIDITY THERETO UNDER NO. 500089 AND 500090 BY DAVID
CRAMPTON

AND

IN THE MATTER OF REGISTRATION NOS. 2653169 AND 2653168 IN THE
NAME OF DAVID CRAMPTON IN RESPECT OF THE FOLLOWING TWO
SERIES OF TRADE MARKS IN CLASS 20:

MagicFit
PlinthLock

MagicFit
PlinthLock

AND

MagicFit
PanelLock

MagicFit
PanelLock

AND CONSOLIDATED APPLICATIONS FOR A DECLARATION OF
INVALIDITY THERETO UNDER NO. 500121 AND 500122 BY UNIKA COLOR
PRODUCTS LTD

BACKGROUND AND PLEADINGS

1) Unika Color Products Ltd (“Unika”) is the proprietor of the two stylised marks PANEL LOCK and PLINTH LOCK (see cover page). It applied for the registrations on 21 November 2011 and 4 November 2011 respectively, with the registration procedures being completed on 24 February 2012 and 10 February 2012 respectively. The registrations cover the following respective lists of goods in Class 17:

Extruded plastics in the form of brackets used for fixing cupboard panels and shelving in place

and

Plastics in extruded form for use in manufacture.

2) On 5 July 2013, David Crampton applied for the registrations to be declared invalid on the basis of Section 47(1) and Section 3(6) and also Section 47(2)(b) and Section 5(4)(a) of the Trade Marks Act 1994 (“the Act”). It is claimed that use of the mark would be contrary to the law of passing off. Mr Crampton claims to have used the word marks PANELLOCK and PLINTHLOCK in the UK since September 2009 and December 2010, respectively. Use is claimed in respect of *plastics in extruded form for use as brackets to fix cupboard panels, plinths and boards in place*. He states that he has built up a substantial amount of goodwill through his own use and use by the licensee, MagicFit and use by Unika amounts to a misrepresentation that its goods are linked to Mr Crampton. He submits that this misrepresentation will result in damage through loss of sales and/or reputation.

3) Secondly, Mr Crampton claims that he has had a trading relationship with the registered proprietor of these two marks through their licensees MagicFit Ltd. (“MagicFit”), but that at no point was permission given to apply for the registrations. He claims that this behaviour falls well below the standards expected in trade and amounts to bad faith.

4) Unika filed counterstatements on 15 August 2013 denying Mr Crampton’s claims. Further, Mr Crampton applied for the two registrations 2653169 MAGICFIT PLINTHLOCK (stylised), and 2653168 MAGICFIT PANELLOCK (stylised) (see cover page) on 18 February 2013 and both completed their registration procedures on 14 June 2013. Also on 15 August 2013, Unika applied for both these marks to be declared invalid. These two registrations are for the following respective lists of goods in Class 20:

Fixings, not of metal; extruded plastic fittings for connecting and/or attaching plinths and plinth joints; plastic fixing devices.

Fixings, not of metal; extruded plastic brackets; fixings (not of metal) for fixing panels, box piping and/or shelving in place; plastic brackets for locating panels and/or shelving; plastic fixing devices.

5) Unika claims that both of Mr Crampton's registrations offend under Section 47(2)(a)/Section 5(2)(b) and 5(3) and also Section 47(2)(b)/Section 5(4)(a) of the Act. It submits that its two earlier marks are similar to Mr Crampton's marks and are in respect of the same or similar goods. It also submits that it is untrue that Mr Crampton has built up a substantial goodwill under the marks. Rather, it claims that Mr Crampton showed it a prototype of two products in June 2009 that he referred to as "the Plinth Locking Mechanism or Plinth Clip". Following further discussions, Unika placed a bulk order in September 2009 and it claims that it put the two descriptive words "Plinth" and "Lock" together to form the name "PlinthLock". It states that the logo, word stylisation and colour were all designed in-house on 16 September 2009. It further states that an exclusive supply deal with MagicFit was agreed in August 2009 under which MagicFit supplied the products and Unika promoted the product under the brand name and stylisation it developed. The exclusive supply agreement was never signed. It therefore claims that it is the holder of the goodwill identified by its marks.

6) Unika also claims that its marks were applied for following a deterioration and breakdown of an exclusive distribution agreement between it and MagicFit. It accepts that Mr Crampton may have been the proprietor of patent rights relating to the products in question, but the marks, the subject of its registrations, were developed by it at a cost in the region of £100,000. It states that there was never any agreement that the goodwill associated with these brands would accrue to MagicFit or Mr Crampton. It explains that it is now providing its own products under the marks that do not infringe Mr Crampton's patents. It claims that by registering his two marks, Mr Crampton is seeking to take advantage of Unika's goodwill to promote his own competing products and such actions amount to bad faith and his registrations are open to objection under Section 3(6) of the Act.

7) All four cases were subsequently consolidated and both sides filed a single set of evidence covering all four sets of proceedings. Both sides ask for an award of costs. The consolidated proceedings came to be heard before me on 26 June 2014 when Mr Crampton was represented by Ms Sophie Holcombe of Counsel, instructed by Bailey Walsh & Co LLP and Unika was represented by Mr Ben Longstaff of Counsel, instructed by Square One Law.

EVIDENCE

8) Unika's evidence takes the form of the following four witness statements:

- Mr Richard Osborne, managing director of The Print People Limited;
- Mr Rod Saunders, partner in Magicfit;
- Two by Mr Paul Rogers, director of Unika, the second of which was in reply to Mr Crampton's evidence.

9) Mr Crampton's evidence takes the form of the following six witness statements:

- From himself in his capacity as director of Crampton Construction Ltd and connected with MagicFit, the user of his intellectual property;
- Sharon Luxford, director of MagicFit;
- John Paul Norris, service development manager for Magnet Limited, filed in reply to Unika's evidence;
- Philip Martin Wilson, managing director and owner of PMD Creative Solutions, filed in reply to Unika's evidence;
- Graham Harrison, company director and co-owner of Moorland Co. Ltd., filed in reply to Unika's evidence;
- Stephen Cooper, technical/account manager for Patterson & Rothwell, filed in reply to Unika's evidence.

10) The relevant time lines and conflicting positions of the respective parties, as reflected in this evidence, are as follows:

October 2006: MagicFit was set up by Mr Crampton and Mr Saunders with their respective wife/partner as directors. MagicFit was to promote Mr Crampton's products (see Mr Crampton's witness statement at paragraph 2).

March 2009: Mr Saunders and Mr Crampton met Unika in around March 2009 to consider the possibility of working together. A business relationship was formed and the supply of a product called "Magic Gripper" to Unika was discussed.

April 2009: Mr Crampton comes up with the idea of a new product (see his witness statement at paragraph 5).

9 June 2009: The name "Plinth Lock" was used to describe the new product by Ms Louise Scott of Unika in her e-mail to Mr Crampton on 9 June 2009 when she sent him the agenda for a new product forum on the

25 June 2009 (see Mr Saunder's Exhibit RS1, page 1 and Mr Crampton's Exhibit DC1) when Mr Crampton's product was to be discussed. Mr Rogers points out that the same agenda also made reference to a product referred to as a "Plinth Seal" and states that this was a product under development with a completely different supplier (see Mr Roger's witness statement at paragraph 10). Mr Crampton relies upon the same copy of this agenda and email chain to support his claim that it was he who came up with the name "Plinth Lock".

22 June 2009: Mr Crampton made a patent application in respect of this product (see Mr Crampton's witness statement at paragraph 5)

25 June 2009: Mr Saunders confirms (at paragraph 10 of his witness statement) that Mr Crampton revealed the PlinthLock product to Unika at a New Product Forum on or around this date. He also states that, at the time, Mr Crampton did not have a name for the product, filing a patent application in the same month where it was described as a "bracket assembly". Both Mr Saunders and Mr Rogers state that, at this stage, neither Mr Crampton nor MagicFit had made any sales of the product or branded it in any way. During this time, Mr Crampton referred to it as the "plinth locking mechanism" or "plinth clip". At this time, Ms Scott offered to help MagicFit with the branding and it was her who suggested to MagicFit that the product be called PLINTHLOCK (Mr Saunders witness statement at paragraph 11). According to Mr Rogers, Mr Crampton did not begin using the name PLINTHLOCK, either conjoined or as two separate words until he saw the agenda for the new product forum. There is no corroboratory evidence to support Mr Crampton's statement to the contrary.

26 June 2009: At Exhibit DC2 to Mr Crampton's witness statement is an e-mail chain that includes, on this date, an email from Mr Saunders to a number of recipients providing an "update on progress of the new plinth lock in development". This is the earliest dated corroboratory evidence illustrating Mr Crampton using the term PLINTH LOCK.

June 2009: Mr Saunders states (at paragraph 12 of his witness statement) that around this time, MagicFit reached an agreement with Unika under which it was agreed MagicFit would supply Unika on a nearly-exclusive basis. The exception to the exclusive arrangement was a deal that Mr Saunders managed to obtain for MagicFit based on his position with a company called Nobia Limited (hereafter "Nobia"). The deal was that MagicFit would supply the product to Nobia, who in turn supplied the DIY retailer, Homebase. Supply agreements were drafted but never signed. However, Mr Saunders claims that Unika consented to its stylised PLINTHLOCK mark being used in respect of the products supplied to

Homebase and Ms Scott assisted MagicFit with designing and preparing the instruction leaflet which went in the Homebase pack.

Mr Rogers presents a slightly different version of events. He states (at paragraph 11 of his witness statement) that at this time MagicFit had made no sales of the product and it was not branded in any way. Following the new products forum it was agreed that Unika would manufacture the product in China where it has its own facilities (see Mr Roger's witness statement at paragraph 13). He then claims (at paragraph 14) that MagicFit reneged on this agreement (in an unspecified way) and that, around August 2009, MagicFit and Unika reached an agreement whereby MagicFit manufactured the product and supplied Unika on an almost exclusive basis. It was under this agreement that MagicFit supplied Unika and Nobia. Mr Crampton appears to confirm this when he states at paragraph 8 of his witness statement that "it was agreed verbally that MagicFit would manufacture and supply the PLINTH LOCK product to Unika who would then distribute the same to their own customers, with the exception of Nobia Group/Homebase who would continue to be supplied by MagicFit."

August 2009: Mr Osborne states that he was approached by Ms Scott of Unika in August 2009 "to design a trade mark for the word mark "plinthlock"" and he sent the resultant designs to Ms Scott on 11 September 2009 (see Mr Osborne's Exhibit RO1, pages 1 to 3).

September 2009: Unika placed its first bulk order for the product (see Mr Roger's witness statement at paragraph 15) and used its stylised PLINTHLOCK mark to market it. Mr Rogers also states that the mark was developed in-house by Mr Osborne and he provides copies of sample marks provided to Mr Osborne on 11 September 2009 (Exhibit PR1, pages 8 - 10). The mark followed the corporate get-up of Unika's other marks (Mr Rogers' paragraph 17). Mr Saunders states that it was known from the outset that Unika would promote the products as part of their own brand and MagicFit understood the need to do this with their major customers. The packaging, instruction leaflets and logo were all produced by Unika.

November 2009: The first promotion of the products under the stylised PLINTHLOCK mark took place in the form of an electronic data message sent to all of Unika's customers (Mr Rogers' paragraph 19).

February/March 2010: Discussions between Mr Crampton and Unika took place regarding the development of another new product. The product was initially a Unika idea (Mr Saunders paragraph 16 and Mr Rogers paragraph 24) in order to fulfil a requirement required by the DIY retailer, B&Q. At this time it was being referred to as the "PlinthLock Mini"

or “mini Plinthlock” (Mr Rogers paragraph 26) with MagicLock also describing it as “small Plinthlock”, “POL multi use connector system”, “Plinthlock compact”, “Panel Locking Sister” and “compact Plinthlock” in various documents. Mr Crampton described it as a “multi functional panel lock system” and a “P L bracket”.

June 2010: During discussions between Mr Crampton and Unika regarding a suitable name for this new product, Mr Crampton proposed “Panel Locking Sister”, “Mini PlinthLock” and “PlinthLock Compact” (as demonstrated in an email from Mr Crampton that was copied to Ms Scott on 27 June 2010 and shown at Mr Saunder’s Exhibit RS1, page 2).

8 August 2010: Mr Crampton claims that he came up with the name “Panel Lock” on this date and used the name in draft instructions and product details prepared for Unika in advance of the product’s launch. These are provided at Mr Crampton’s Exhibit DC3. What this actually shows is a product referred to as both “New P L Bracket” and “Multi Function Panel lock system”. Mr Crampton refers, in his covering email, dated 8 August to “Panel locking syster4.pdf – Adobe Reader” and “Mock up ideas for Unika distribution. Instruction and uses for the new P L bracket”. Therefore, this exhibit does not support his statement. What it actually shows is Mr Crampton using “panel lock” as part of a description of the product and not as a trade mark.

August/September 2010: In contrast, it is claimed on behalf of Unika that it came up with the stylised mark PANELLOCK and followed in the style of Unika’s other registered marks. The name, logo, word stylisation and colour for the mark were all designed by Unika (see Mr Saunder’s witness statement at paragraph 20 and Mr Rogers’ paragraph 27). Mr Osborne was approached by Ms Scott “in or around September 2010” to prepare a similar mark to Unika’s stylised PLINTHLOCK mark in accordance with the Unika trade mark style.

October 2010: Mr Osborne, under instruction from Ms Scott, assisted in the development of a feature sheet used in promotional material. He provided JPEG files of the mark to Unika on 24 November 2010. Whilst MagicFit did sell some packs of these products via its website direct to fitters, Unika was exclusively supplied and had an exclusive distribution right until the relationship between MagicFit and Unika deteriorated in late 2011 (see Mr Saunder’s witness statement at paragraph 21).

6 September 2011: A meeting took place between Unika and MagicFit where despite MagicFit expressing disappointment in Unika’s sales volumes, it was agreed that the semi-exclusive arrangement would continue, with the exception that MagicFit would have the right to test the

market through selling the product from its website. No information is provided on whether MagicFit had any success in doing this.

Undisclosed time after: Mr Crampton and his partner Ms Sharon Luxford decided to extend sales to marketing via the television shopping channel, QVC, contrary to the arrangement with Unika. At this time, there had been a breakdown in the relationship between Mr Crampton and Mr Saunders and MagicFit had ceased trading.

Since this time: Unika has the tooling to manufacture the two products and continues to do so (but in a way that does not infringe Mr Crampton's patent rights) and sells these products under the same stylised marks.

Preliminary Point

11) At the hearing, Ms Holcombe made an application to join MagicFix to the proceedings because it is the vehicle used by Mr Crampton to commercialise his inventions. Consequently, it may be found that the goodwill that he claims may reside with MagicFix rather than himself. Mr Longstaff resisted the application but went on to submit that the issue may be irrelevant because it appears that anyone can bring an objection, not just someone claiming to be the owner of the goodwill. He cited the following comments of Mr Justice Laddie in *Peter Byford v Graham Oliver & Steven Dawson (Saxon Trade Mark)* [2003] EWHC 295 (Ch), where he stated:

31. The above facts must now be applied to the two subsections in issue. As far as s. 5(4) of the Act is concerned, the question to be asked is whether any normal use by the proprietors or either of them of the mark as registered for any of the goods or services in respect of which it is registered would be liable to be prevented by passing off proceedings **brought by any other person** [*my emphasis*]. Since the mark as registered is SAXON, normal use would include use of that word alone by the proprietors in relation to records and live performances. Mr Foley answered this question as follows:

"53. The provisions of Section 5(4)(a) allow for a proprietor of an earlier right in relation to the trade mark to prevent the use of a later trade mark. The problem for the applicant is that he has a right to the goodwill in the name SAXON, but from the same date as the registered proprietor, and consequently, cannot succeed in a claim for passing off under Section 5(4)(a). The ground is dismissed accordingly."

12) I do not concur that these comments are intended to be interpreted in the way Mr Longstaff contends. Whilst Mr Justice Laddie referred to "proceedings brought by any other person", this phrase must be interpreted within the context

of the language used in Section 5(4) of the Act, the final sentence of which states that “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”. Mr Longstaff’s primary position is that Mr Crampton is not the proprietor of an earlier right in order to bring a case under Section 5(4)(a). The comments of Mr Justice Laddie do not appear to change this and in any event, they were made before the Trade Marks (Relative Grounds) Order 2007, which restricted the right to bring invalidation proceedings on relative grounds to the owners of earlier marks or rights.

13) I directed that MagicFix could, in theory, be joined to the proceedings subject to the undertaking that it had sight of any forms and evidence filed by Mr Crampton; it stands by the grounds of the original pleading and evidence filed in support of Mr Crampton's case, and; it was aware of, and accepts its joint liability (with Mr Crampton) for costs for the whole of the proceedings. I recognised the potentially difficulty in obtaining such an undertaking having taken account of the fact that the two directors of the company were likely to have opposing views on the desired outcome because one is Mr Crampton’s partner and the other is Mr Saunder’s wife.

14) Unsurprisingly, the Registry received a written undertaking from Mr Crampton’s partner, Sharon Luxford but Mrs Saunders also wrote to the Registry declining to give such an undertaking. In light of the diverging views within MagicFix, I take the view that the necessary undertaking has not been given by the company. As such, I refuse the application to join MagicFix as a party to the proceedings. However, as will become apparent, this issue is irrelevant to the outcome of the case.

DECISION

The legislation

15) Mr Crampton’s cases have proceeded to final determination on the basis of Section 3(6) and 5(4)(a) of the Act, with such grounds being relevant in invalidation proceedings in view of the provisions of Section 47(1) and (2) of the Act. In addition to these same grounds, Unika’s two cases have also proceeded to be determined under Section 5(2)(b) and Section 5(3) of the Act. However, for the purposes of this decision, it is sufficient that I only set out the following parts of the Act:

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

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

(a) ...

(b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied, unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.

16) Section 3(6) of the Act reads as follows:

“3(6) A trade mark shall not be registered if or to the extent that the application is made in bad faith.”

17) Section 5(4)(a) reads:

“5.-(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, or

(b)

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

The respective parties’ Section 5(4)(a) claims

18) I find it convenient to begin by firstly considering Unika’s claim to a passing off right against Mr Crampton. The requirements for this ground, in the context of opposition proceedings, have been restated many times and can be found in the decision of Mr Geoffrey Hobbs QC, sitting as the Appointed Person, in *WILD CHILD Trade Mark* [1998] R.P.C. 455. Adapted to an invalidation action, the three elements that must be present can be summarised as follows:

(1) that the applicant’s goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;

(2) that there is a misrepresentation by the proprietor (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by the proprietor are goods or services of the applicants; and

(3) that the applicants have suffered or are likely to suffer damage as a result of the erroneous belief engendered by the proprietor's misrepresentation.

The Relevant Dates

19) First I must determine the date at which the Unika's claim is to be assessed; this is known as the material date. In this regard, I note the judgment of the General Court (GC) in *Last Minute Network Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs)* (OHIM) Joined Cases T-114/07 and T-115/07. In that judgment the GC said:

“50 First, there was goodwill or reputation attached to the services offered by LMN in the mind of the relevant public by association with their get-up. In an action for passing off, that reputation must be established at the date on which the defendant began to offer his goods or services (*Cadbury Schweppes v Pub Squash* (1981) R.P.C. 429).

51 However, according to Article 8(4) of Regulation No 40/94 the relevant date is not that date, but the date on which the application for a Community trade mark was filed, since it requires that an applicant seeking a declaration of invalidity has acquired rights over its non registered national mark before the date of filing, in this case 11 March 2000.”

20) With this guidance in mind, the material date in these proceedings is the date Mr Crampton filed for his marks, namely 21 November 2011 and 4 November 2011 respectively. The earlier right must have been acquired prior to that date (Article 4.4(b) of First Council Directive 89/104 on which the UK Act is based). The position at an earlier date may also be relevant. It could establish a senior user status, or that there has been common law acquiescence or that the status quo should not be disturbed as the parties have a concurrent goodwill (*Croom's Trade Mark Application* [2005] RPC 2 and *Daimlerchrysler AG v Javid Alavi (T/A Merc)* [2001] RPC 42).

Goodwill

21) In order to make an assessment of whether or not Unika has goodwill in a business conducted under the stylised PANEL LOCK and PLINTH LOCK marks, I must be possessed of sufficient information to reach an informed conclusion. In *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19 Pumfrey J said:

“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 Section 11 of the 1938 Act (See *Smith Hayden (OVAX)* (1946) 63 RPC 97 as qualified by BALI [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 at 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 possibilities that passing off will occur."

22) In *Minimax GmbH & Co KG v Chubb Fire Limited* [2008] EWHC 1960 (Pat), Floyd J commented directly upon South Cone in the following terms:

"8 Those 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."

23) Unika claims the goodwill lies with it and is identified by the marks reflected in its contested registrations. In determining this, there are two distinct issues. Firstly, who is most responsible for the character or quality of the goods and, secondly, who is perceived by the public as being responsible for the products. In Professor Christopher Wadlow's "The Law of Passing Off", 4th Edition (Sweet & Maxwell, 2011) it is suggested (at passage 3-137) that the following questions are relevant:

- "Are the goods bought on the strength of the reputation of an identifiable trader?"
- Who does the public perceive as being responsible for the character or quality of the goods? Who would be blamed if they were unsatisfactory?

- Who is the most responsible in fact for the character or quality of the goods?
- What circumstances support or contradict the claim of any particular trader to be the owner of the goodwill? For example, goodwill is more likely to belong with the manufacturer if the goods are distributed through more than one dealer, either at once or in succession. If more than one manufacturer supplies goods to a dealer and they are indistinguishable, the dealer is more likely to own the goodwill.”

24) Unika’s evidence is lacking in some areas. One such area is the scale and scope of use that Unika has made in respect of the products identified by the applied for marks. This is unknown. That said, it does not appear to be in dispute that it did promote and sell these products to a range of customers under the marks. Where the parties’ views diverge is in respect of the goodwill arising from such business and who did this goodwill accrue. It is common ground that Mr Crampton was the inventor of the products, but there is no evidence to suggest that the packaging of the products sold and marketed by Unika gave any indication as to who the inventor was or that the products had been supplied by MagicFit. The goods sold by Unika were packaged using marks that were developed in-house and these marks were consistent with the Unika house get-up. Despite assertions to the contrary from Mr Crampton, the evidence appears to show that the names originated from within Unika and these were developed further by Unika in order to develop marks that were consistent in style and colour with other marks in the Unika’s house style. Taking all of this into account, I conclude that the consumer would believe that it was Unika who had sole responsibility for the character and quality of the products sold by it and identified by its stylised marks and that it would be considered to be at blame if they were unsatisfactory.

25) When answering the question posed in the third bullet point, it is Mr Crampton and MagicFit who are most responsible for the character and quality of the goods. Despite an apparent agreement to the contrary, it was MagicFit who arranged for the manufacture of the products. Therefore, the answer to this question, at least, points to goodwill residing with MagicFit.

26) However, there are other circumstances that suggest the goodwill lies with Unika (or at least falls short of supporting a claim that Mr Crampton/MagicFix were the owners of the goodwill):

- In respect of the product characterised as “Plinth Lock”, Unika sold directly to all customers of these products with the exception of those sold by MagicFit to Nobia (for onward sale to Homebase), at all times using the marks developed by itself and conforming to its house-style used for all its marks. Such activity was done with the knowledge of Mr Crampton and MagicFit;

- The evidence does not support Mr Crampton's contention that it was he who coined the terms "Plinth Lock" and "Panel Lock". The evidence illustrates Ms Scott of Unika first used the words "Plinth Lock" in her e-mail to Mr Crampton dated 9 June 2009. The evidence regarding the origins of the term "Panel Lock" is less clear with both sides claiming to have coined the term. However, Mr Crampton's corroboratory evidence fails to establish what he claims that it does, namely that he came up with the name in August 2010.

27) It appears that the majority of sales under the marks were undertaken by Unika, using the two marks it developed and promoted and that this was done with the knowledge of Mr Crampton and MagicFit. Therefore, whilst the position is not clear cut, there is certainly a factual background that supports the view that Unika were acting honestly when trading concurrently with MagicFit and that the goodwill that accrued as a result of its sales flowed to Unika and not Mr Crampton or MagicFix. In respect of the sales of the products to Nobia/Homebase, there is no evidence that this was under the marks and/or attributed MagicFit or Mr Crampton as the owner. Therefore, there is no evidence that MagicFit or Mr Crampton had concurrent goodwill. Similarly, in respect of the "Panel Lock" product, UNIKA concede that MagicFit "did sell some packs of these products" via its website to fitters. However, once again, there is no evidence of the scale of sales, nor how or if these products were branded.

28) In summary, I have found that Unika does have the requisite goodwill required in order to bring a ground based upon Section 5(4)(a) but that Mr Crampton, nor MagicFit does not. This latter outcome is fatal to Mr Crampton's case and I conclude that his application to invalidate Unika's marks insofar as it is based upon Section 5(4)(a) fails.

29) In light of these findings, the fact that I have declined to permit MagicFit to join the proceedings is of no consequence to the outcome of the outcome of the case.

30) Returning to Unika's claim to passing off, I must now consider if there has been misrepresentation and whether any such misrepresentation is such as to cause damage to Unika. In this respect, I am mindful of the comments of Morritt L J in the Court of Appeal decision in *Neutrogena Corporation and Anr. V Golden Limited and Anr.* [1996] RPC 473 when he confirmed that the correct test on the issue of deception or confusion was whether, on the balance of probabilities, a substantial number of the opponent's customers or potential customers would be misled into purchasing the applicant's products in the belief that it was the opponent's. Further, Lord Fraser in *Erven Warnink BV v J Townend & Sons (Hull) Ltd* [1980] RPC 31 HL, stated that the opponent must show that "he has suffered, or is really likely to suffer, substantial damage to his property in the goodwill".

31) All of Unika's customers will have been provided products that would have been identified by reference to one or either of its two marks. The conjoined words PLINTHLOCK and PANELLOCK are present in both parties' marks and in all marks the colour or shading is such as to highlight the distinction between the conjoined words. Consequently, there is a good deal of similarity between the respective marks. This is despite the addition of the conjoined words MAGICFIT present in Mr Crampton's marks. Further, although not determinative in its own right, I also note that Mr Crampton uses the colour red in one of the series of each of his marks. This is consistent with the red colour also used by Unika in its marks.

32) Taking all of the above into account, it is clear to me that a substantial number of Unika's customers would be misled into purchasing Mr Crampton's products in the belief that it was Unika's products. It follows that there is a real likelihood that Unika will suffer substantial damage to its goodwill.

33) I conclude that Unika's claim to passing off is made out.

Mr Crampton's Section 3(6) claim

34) Mr Crampton's Section 5(4)(a) claim has failed and success in his invalidation action rests with his claim under Section 3(6) of the Act. He claims that Unika acted in bad faith when applying to register its two marks. I will comment only briefly on this ground. My findings in respect of Section 5(4)(a) included a finding that Unika's trading activities identified by its two marks were conducted with the knowledge and permission of Mr Crampton. Further, in light of my finding that Unika was the beneficiary of the goodwill identified by its marks. It follows that it was not an act of bad faith to apply to protect the same two marks associated with this goodwill. Consequently, the Section 3(6) case against Unika fails.

Summary

35) I have found that:

- Mr Crampton's grounds based upon Section 5(4)(a) and Section 3(6) both fail and as a consequence, his application to invalidate Unika's two marks fails. Therefore, Unika's marks remain validly registered;
- As a result of this, Unika is still able to rely upon its two earlier marks in its own invalidation action against Mr Crampton's two registrations. I have also found that Unika has goodwill resulting from its trading activities identified by its two marks and that Mr Crampton activities are likely to result in misrepresentation and damage to Unika. As a consequence of this, Unika's own applications to invalidate Mr Crampton's two marks have been successful in their entirety.

36) As a result of this, it is not necessary for me to comment upon Unika's grounds based upon Section 3(6), Section 5(2)(b) and Section 5(3).

COSTS

37) At the hearing, both sides indicated that they were content that costs should be made based upon the published scale. Unika, having been successful, it is entitled to a contribution towards its costs. I take account that both sides filed evidence and that a hearing has taken place. I award costs on the following basis:

Preparing applications and statement and considering statements in reply (including official fees of £400):	£900
Preparing evidence and considering other side's evidence:	£1200
Preparing and attending hearing:	£1200
TOTAL	£3300

38) I order David Crampton to pay Unika Color Products Ltd the sum of £3300. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 16th day of September 2014

**Mark Bryant
For the Registrar,
the Comptroller-General**