

O-631-19

**TRADE MARKS ACT 1994
CONSOLIDATED PROCEEDINGS IN THE MATTER OF
APPLICATION NOS 3285475, 3282294, 3282268 & 3282293 IN THE NAME OF
CODEL TECHNOLOGY LTD
TO REGISTER THE FOLLOWING FOUR TRADE MARKS IN CLASS 09:**

MANDRAKE-CODEL

CODEL DCEM

CODEL GCEM

CODEL VCEM

**AND OPPOSITION NOS 412949, 412953, 412954 & 412962 THERETO
(RESPECTIVELY) BY
CODEL INTERNATIONAL LTD**

BACKGROUND

1) On 12 January 2018, Codel Technology Ltd ('the applicant') applied to register CODEL DCEM, CODEL GCEM and CODEL VCEM as trade marks. A further application was also filed on 26 January 2018 to register the following, as a trade mark:

MANDRAKE-CODEL

2) All four of the applications are made in respect of the following goods:

Class 09: Speedometer; Air analysis apparatus; Meteorological instruments; Gas testing instruments; Smoke detectors; Metal detectors for industrial or military purposes; Anemometers; Photometers; Optical apparatus and instruments; Exposure meters [light meters].

3) The applications were published in the Trade Marks Journal on 06 April 2018 and notice of opposition was later filed by Codel International Ltd ('the opponent'). The opponent claims that all the trade mark applications offend under sections 5(2)(b), 5(3), 5(4)(a) and 3(6) of the Trade Marks Act 1994 ('the Act').

4) Details of the mark, and goods, relied upon under s.5(2)(b) are:

Trade Mark Number: UK00002519270

Filing date: 23 June 2009

Date of entry in the register: 09 October 2009

CODEL

Class 09: Measurement and electrical control equipment.

5) It is claimed that the respective goods are identical, as the applicant's goods fall within the opponent's goods, and the respective marks similar such that there exists a likelihood of confusion.

6) The same earlier mark is relied upon under section 5(3) of the Act. It is claimed that the earlier mark enjoys a reputation in the UK in respect of all the goods covered by that registration and that use of the contested marks will take unfair advantage of, or be detrimental to, the reputation and/or distinctive character of the earlier mark.

7) The opponent's registration is an earlier mark, in accordance with section 6 of the Act. As the date of entry in the register of the earlier mark is more than five years prior to the publication date of the contested marks, the former is subject to the proof of use conditions, as per section 6A of the Act. The opponent made a statement of use in respect of all goods relied upon.

8) Under section 5(4)(a) of the Act, the opponent relies upon the use of i) CODEL/Codel since 1983 in relation to various goods and services, as set out in Annex A to this decision, ii) DCEM since 2002 in relation to dual pass opacity dust monitors and dual pass transmissometers, iii) GCEM since 2001 in relation to gas analysers and iv) VCEM since 2003 in relation to flow monitoring equipment. All signs are said to have been used throughout the UK. It is claimed that use of the applicant's marks, in respect of the goods applied for, will lead to misrepresentation and damage to the opponent's goodwill associated with its earlier signs.

9) The opponent states:

"The applicant Codel Technology Limited is a company set up by Beijing Mandrake Environmental Technologies Limited (also known as Mandrake) via their UK agent Mr Yikun Xi, a Chinese national. The sole shareholder of Codel Technology Limited is Mr Yikun Xi. Mr Xi is also the sole director and is company secretary. Mr Yikun Xi of Beijing Mandrake Environmental Technologies Limited has a significant interest in and is in control of Codel Technology Limited.

Beijing Mandrake Environmental Technologies limited are the Chinese distributors for the opponent, Codel International Limited, and have been for approximately 10 years.”

10) The opponent further states:

35. The opponent has built up a reputation in their mark **CODEL / Codel** in the United Kingdom since 1983. Presentation of the mark **CODEL** by the applicant in letters to customers or prospective customers, sent by Beijing Mendeck and/or the applicant Codel Technology Limited naming the directors of the opponent and holding out the directors of the opponent to be directors of the applicant when they are not constitutes a misrepresentation (see appendix 2 & 3 herein).

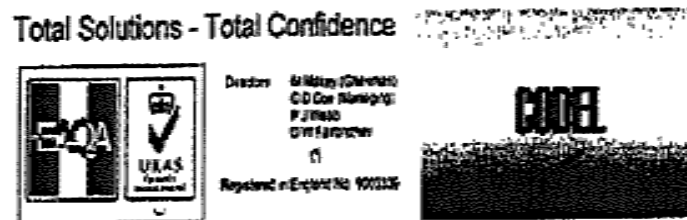
36. Stating that Mandrake Environmental Technologies Limited has been designated an authorised distributor for Codel Technology Limited since 2007 as claimed in the document of appendix 3 herein is a misrepresentation. The date of incorporation of Codel Technology Limited is 22 April 2014, and the

applicant company did not exist in 2007, and therefore Mandrake Environmental Technologies Limited could not have been an authorised distributor since 2007 for a company which did not exist before 2014.

37. The statement in appendix 3: *"CODEL technology Ltd ensures that customers of Mandrake do receive genuine products, all CODEL branded products sold by mandrake are of UK origin."* is a misrepresentation made in the course of trade. CODEL Technology Limited are selling Chinese manufactured equivalents / alternatives of the opponents CODEL UK manufactured products.

38. In the letter of appendix 2 herein, the representing of David Coe as managing director of the applicant Codel Technology Limited is a misrepresentation. David Coe is a director of the opponent, Codel International Limited, and is not and never has been a director of the applicant Codel Technology Limited.

39. Similarly, in appendix 2, the directors M. Makey, P J Webb, and D W Fairbrother are not and never have been directors of the applicant Codel Technology Limited. David Coe and Martin Makey are currently directors of the opponent Codel International Limited. David William Fairbrother was a director of the opponent in the period April 12, 2007 to March 19, 2013. Peter Jon Webb was a director of the opponent Codel International Limited up until March 31, 2014. The applicants holding out of directors of the opponent as being directors of the applicant, when they are not and never have been is a misrepresentation made in the course of trade which is which is calculated to injure the business or goodwill of the opponent (in the sense that this is a reasonably foreseeable consequence); and which causes actual damage to the business or goodwill of the opponent, or will probably do so.
40. Use of the marks and get up of the opponent's stationary, adapted with the company number of the applicant as shown below is a misrepresentation made in the course of trade which is calculated to injure the business or goodwill of the opponent in the sense that this is a reasonably foreseeable consequence, and which causes actual damage to the business or goodwill of the opponent, or will probably do so:



Appendices 2 and 3, as referred to above, are accompanied by a witness statement from Mr Hallam. He states that they come from the records of the opponent company. The appendices consist of letters which the opponent states were sent by the applicant to customers/prospective customers. The footer of both letters is the same as the image above. The representation of the image is clearer on the copy before me than I have been able to reproduce here. On the copy before me, the names of the directors listed in the footer are decipherable as Messers M Makey, Coe, P J Webb and D W Fairbrother (said, by the opponent, to be directors of its company, not the applicant company). Underneath that list, it states 'Registered in England No 9003336' (said to be the company number of the applicant).

11) The information given in support of the claim under section 3(6) of the Act is essentially the same as that given in support of the claim under section 5(4)(a).

12) The applicant filed a counterstatement in defence of each of the trade mark applications. It puts the opponent to proof of use of its earlier registered mark and denies all the grounds of opposition. It requests that the opponent files evidence in support of all its pleaded grounds and allegations. Further to receipt of the counterstatements, the four cases were consolidated.

13) The opponent is represented by Franks & Co Ltd; the applicant by Wilson Gunn. Neither party has requested to be heard. I therefore make this decision based on the papers before me. The applicant has filed nothing beyond the counterstatements. The opponent filed evidence in chief and written submissions in lieu of a hearing. I note that the submissions in lieu¹ also contain evidence of fact. There are two problems with this. Firstly, the evidence of fact is not in the requisite evidential format (e.g. a witness statement). Secondly, no request has been made by the opponent to file further evidence. I therefore take no cognisance of the facts in the opponent's submissions.

OPPONENT'S EVIDENCE

14) This comes from Richard Stephen Hallam, a director of Codell International Limited. Mr Hallam has been employed as an engineer and manager of the opponent company since June 1999.

15) As already noted, Mr Hallam provided a witness statement with the notice of opposition confirming that appendices 1 – 3 thereto are from the opponent's company records. During the evidence rounds, he filed a further witness statement. Accompanying the latter are numerous invoices spanning 2009 to 2018. Some fall after the filing dates of the contested marks but there are many emanating from

¹ Filed on 07 May 2019

before those dates. All the invoices are issued by the opponent and bear the mark CODEL in the top left-hand-corner. The description of goods and services listed on the invoices varies but there are a large number which refer to DCEM dust/opacity monitors, GCEM gas analysers and VCEM flow monitors. There are also many invoices relating to annual servicing contracts and site visits to investigate/repair/test such goods. The prices of the goods and services and the identity of the customers have been redacted by the opponent. However, the addresses of the customers are visible. These are various locations throughout the UK including Port Talbot, Nottingham, Lincoln, Stockton-on-Tees and Cheshire.²

16) Mr Hallam exhibits advertising material placed by the opponent in International Environment Technology magazine, published in November 2016 and 2017. The adverts show the mark CODEL used in relation to gas analysers, dust monitors, opacity monitors and flow monitors.³

17) Mr Hallam explains the functions of the various products sold under the CODEL brand. The VCEM product range measures gas/air speed and wind speed. The GCEM product analyses constituents of gases, including thermal gases and exhaust gases and can measure traces of metal in a gas stream. The DCEM product measures particulate matter, for example, dust in a gas flow, as well as traces of metal and light intensity across a chimney stack. The TunnelTech product measures light intensity.

18) Mr Hallam provides a print from the opponent's website, www.codel.co.uk, from web.archive.org, dated 27 May 2016. The page is entitled "Distributors in Asia and Australasia". Under the heading "China", is the name Mandrake Environmental Technologies with an address in Beijing.⁴ A copy of a print from www.environmental-expert.com, retrieved on 18 October 2018, is also provided showing a list of products available from Mandrake Environmental Technologies, which are sourced from the opponent. These include GCEM gas analysers, DCEM dust/opacity monitors,

² Exhibits RSH01- RSH112

³ Exhibits RSH102-RSH104

⁴ Exhibit RSH115

tunnel/light sensors. Mr Hallam states that Mandrake Environmental Technologies is not a licensed distributor of the opponent's products in the UK.

DECISION

Section 5(4)(a)

19) Section 5(4)(a) states:

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

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

(b) [.....]

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

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

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

56. In relation to deception, the court must assess whether “a substantial number” of the Claimants' customers or potential customers are deceived, but

it is not necessary to show that all or even most of them are deceived (per *Interflora Inc v Marks and Spencer Plc* [2012] EWCA Civ 1501, [2013] FSR 21).”

The relevant date

21) In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11, Mr Daniel Alexander QC as the Appointed Person considered the relevant date for the purposes of s.5(4)(a) of the Act and concluded as follows:

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

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

22) The filing dates of the contested marks are 12 January 2018 (CODEL DCEM, CODEL GCEM and CODEL VCEM) and 26 January 2018 (the stylised MANDRAKE CODEL mark). The applicant has filed no evidence to show any use of its marks before those dates. As to the opponent’s evidence showing use by the applicant (appendices 2 and 3 to Mr Hallam’s first witness statement refer), there is nothing to indicate that the letters in those appendices emanate from prior to the filing dates of the contested marks. Further, although there is a statement within the letter in appendix 3 made by the applicant which, on the face of it, suggests that it may have been using the mark since 2007, this does not assist the applicant for reasons explained later in this decision (see paragraph 31). Therefore, the only dates I need to consider are 12 January 2018 and 26 January 2018.

Goodwill

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

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

24) In terms of the evidence that is required to establish the existence of goodwill, in *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19 (HC), Pumfrey J. stated:

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

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

hearing officer that it is not shown on the balance of probabilities that passing off will occur.”

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

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

26) It is clear from the evidence before me that the opponent has been operating a successful business in the UK since 2009. Although there are no annual sales figures and there is little in the way of evidence of advertising/promotional activities, the number of invoices which have been submitted is substantial. They indicate that sales have been consistent from 2009 up until the relevant dates to various customers in the UK. The goods referred to in the invoices are mainly those for the measurement and analysis of gas and air. They include gas analysers, dust/opacity monitors and flow monitors. The services provided are described as servicing and testing of the aforementioned goods. I am satisfied that, at both relevant dates, the opponent enjoyed the requisite goodwill in its business providing equipment for the measurement, analysis and monitoring of gases and air and the servicing and maintenance of such goods. As to the sign(s) which are distinctive of that goodwill, I accept that the opponent has used DCEM/VCEM and GCEM to refer to different product ranges. However, those letter combinations are always used with the more distinctive sign, CODEL. The latter is also used far more prominently on all the invoices and on the advertising material which has been provided (albeit that the evidence of advertising is minimal). I find that the sign CODEL was distinctive of the opponent's goodwill at both relevant dates.

Misrepresentation and damage

27) In *Neutrogena Corporation and Another v Golden Limited and Another* [1996] RPC 473, Morritt L.J. stated that:

“There is no dispute as to what the correct legal principle is. As stated by *Lord Oliver of Aylmerton in Reckitt & Colman Products Ltd. v. Borden Inc.* [1990] R.P.C. 341 at page 407 the question on the issue of deception or confusion is

“is it, on a balance of probabilities, likely that, if the appellants are not restrained as they have been, a substantial number of members of the public will be misled into purchasing the defendants' [product] in the belief that it is the respondents' [product]”

The same proposition is stated in *Halsbury's Laws of England* 4th Edition Vol.48 para 148. The necessity for a substantial number is brought out also in *Saville Perfumery Ltd. v. June Perfect Ltd.* (1941) 58 R.P.C. 147 at page 175; and *Re Smith Hayden's Application* (1945) 63 R.P.C. 97 at page 101.”

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

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

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

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

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

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

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

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

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

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

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

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

29) The opponent’s CODEL mark is highly similar both visually and aurally to the applicant’s CODEL DCEM, CODEL GCEM and CODEL VCEM marks. Conceptually, the position is neutral given that none of the marks at issue would appear to have any concept. Overall, there is a high degree of similarity between the aforementioned contested marks and the opponent’s mark. As to the applicant’s MANDRAKE-

CODEL (stylised) mark, there is a point of difference taking account of the presence of the word MANDRAKE in the contested mark which is absent from the opponent's mark. However, I consider that the common presence of the word CODEL leads to a medium degree of visual and aural similarity. The conceptual position appears to be neutral. Overall, there is a medium degree of similarity between the MANDRAKE-CODEL (stylised) mark and the opponent's mark.

30) Turning to consider the respective fields of activity, I remind myself that the contested specification reads:

Class 09: Speedometer; Air analysis apparatus; Meteorological instruments; Gas testing instruments; Smoke detectors; Metal detectors for industrial or military purposes; Anemometers; Photometers; Optical apparatus and instruments; Exposure meters [light meters].

The applicant's 'Air analysis apparatus' and 'gas testing instruments' are clearly identical to the goods for which the opponent has shown goodwill. As to the remainder of the applicant's goods, I note that the opponent has provided a helpful table explaining why it considers its goods to be similar to all of the contested goods.⁵ Mr Hallam explains that the opponent's gas analysers can detect smoke, measure traces of metal within a gas stream and pollution emissions to the atmosphere and are therefore similar to 'metal detectors for industrial military purposes', 'meteorological instruments' and 'smoke detectors'. He also states that the opponent's flow monitors can measure wind velocity/speed and its gas analysers can measure gas speed and are therefore similar to 'speedometers' and 'anemometers'. The opponent's goods can also measure light intensity to measure dust concentrations in a gas stream and are therefore similar to the contested 'photometers; Optical apparatus and instruments; Exposure meters [light meters]'. It seems clear to me that the respective fields of activity are the same or similar in relation to all the contested goods.

⁵ Witness Statement of Mr Hallam, paragraph 16

31) The opponent has filed evidence showing letters sent by the applicant to customers/prospective customers. The opponent claims that the style of the letters has been copied from the opponent's stationery. Both letters bear the mark CODEL alongside a list of directors which the opponent states are not directors of the applicant (and never have been) but, rather, are directors of the opponent. Further, the opponent points out that the applicant company was not incorporated until 2014 and therefore the statement made by the applicant in the letter in appendix 3 which states "Mandrake Environmental Technologies Ltd. has been designated authorize distributor for CODEL Technologies Ltd. since 2007" is untrue. The applicant has made no response to this evidence. In *Specsavers v Asda* [2012] EWCA Civ 24, Kitchen LJ cited *Slazenger & Sons v Feltham & Co* (1889) 6 R.P.C. (Lindley J) as follows:

"It has long been established that if it is shown that a defendant has deliberately sought to take the benefit of a claimant's goodwill for himself the court will not be astute to say that he cannot succeed in doing that which he is straining every nerve to do."

It seems clear to me that the applicant has sought to benefit from the opponent's goodwill. Indeed, given the content of the letters sent by it to (prospective) customers it is difficult to come to any other conclusion. Bearing this in mind, together with the applicant's silence on the matter, the high/medium degree of similarity between all the respective marks and the same/similar fields of activity, I have no doubt that at both relevant dates, those who are familiar with the opponent's business will assume that the goods provided under the contested marks are the responsibility of the opponent. A misrepresentation will arise.

32) The damage that follows is likely to be in the form of loss of sales for the opponent, with customers purchasing the applicant's goods instead. Damage can also be wider than simply loss of custom.⁶ In this connection, I note that the

⁶ See, for instance, *Ewing v Buttercup Margarine Company, Limited*, [1917] 2 Ch. 1 (COA), where Warrington L.J. stated that: "To induce the belief that my business is a branch of another man's business may do that other man damage in various ways. The quality of goods I sell, the kind of business I do, the credit or otherwise which I enjoy are all things which may injure the other man who is assumed wrongly to be associated with me."

opponent contends that the applicant is providing Chinese manufactured goods which are of inferior quality to those of the opponent. The applicant has, again, made no response to this. Providing inferior quality goods could have a serious negative impact on the opponent's business and is another form of damage that must be guarded against.

33) The applicant is liable to be prevented from use of the trade marks under the law of passing-off. The ground under section 5(4)(a) of the act succeeds in full.

Section 3(6)

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

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

35) The law in relation to this section of the Act was summarised by Arnold J. in *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited* [2012] EWHC 1929 (Ch):

“130. A number of general principles concerning bad faith for the purposes of section 3(6) of the 1994 Act/Article 3(2)(d) of the Directive/Article 52(1)(b) of the Regulation are now fairly well established. (For a helpful discussion of many of these points, see N.M. Dawson, "Bad faith in European trade mark law" [2011] IPQ 229.)

131. First, the relevant date for assessing whether an application to register a trade mark was made in bad faith is the application date: see Case C- 529/07 *Chocoladenfabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH* [2009] ECR I-4893 at [35].

132. Secondly, although the relevant date is the application date, later evidence is relevant if it casts light backwards on the position as at the

application date: see *Hotel Cipriani Srl v Cipriani (Grosvenor Street) Ltd* [2008] EWHC 3032 (Ch), [2009] RPC 9 at [167] and cf. Case C-259/02 *La Mer Technology Inc v Laboratoires Goemar SA* [2004] ECR I-1159 at [31] and Case C-192/03 *Alcon Inc v OHIM* [2004] ECR I-8993 at [41].

133. Thirdly, a person is presumed to have acted in good faith unless the contrary is proved. An allegation of bad faith is a serious allegation which must be distinctly proved. The standard of proof is on the balance of probabilities but cogent evidence is required due to the seriousness of the allegation. It is not enough to prove facts which are also consistent with good faith: see *BRUTT Trade Marks* [2007] RPC 19 at [29], *von Rossum v Heinrich Mack Nachf. GmbH & Co KG* (Case R 336/207-2, OHIM Second Board of Appeal, 13 November 2007) at [22] and *Funke Kunststoffe GmbH v Astral Property Pty Ltd* (Case R 1621/2006-4, OHIM Fourth Board of Appeal, 21 December 2009) at [22].

134. Fourthly, bad faith includes not only dishonesty, but also "some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined": see *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] RPC 367 at 379 and *DAAWAT Trade Mark* (Case C000659037/1, OHIM Cancellation Division, 28 June 2004) at [8].

135. Fifthly, section 3(6) of the 1994 Act, Article 3(2)(d) of the Directive and Article 52(1)(b) of the Regulation are intended to prevent abuse of the trade mark system: see *Melly's Trade Mark Application* [2008] RPC 20 at [51] and *CHOOSI Trade Mark* (Case R 633/2007-2, OHIM Second Board of Appeal, 29 February 2008) at [21]. As the case law makes clear, there are two main classes of abuse. The first concerns abuse vis-à-vis the relevant office, for example where the applicant knowingly supplies untrue or misleading information in support of his application; and the second concerns abuse vis-à-vis third parties: see *Cipriani* at [185].

136. Sixthly, in order to determine whether the applicant acted in bad faith, the tribunal must make an overall assessment, taking into account all the factors relevant to the particular case: see *Lindt v Hauswirth* at [37].

137. Seventhly, the tribunal must first ascertain what the defendant knew about the matters in question and then decide whether, in the light of that knowledge, the defendant's conduct is dishonest (or otherwise falls short of the standards of acceptable commercial behaviour) judged by ordinary standards of honest people. The applicant's own standards of honesty (or acceptable commercial behaviour) are irrelevant to the enquiry: see *AJIT WEEKLY Trade Mark* [2006] RPC 25 at [35]-[41], *GERSON Trade Mark* (Case R 916/2004-1, OHIM First Board of Appeal, 4 June 2009) at [53] and *Campbell v Hughes* [2011] RPC 21 at [36].

138. Eighthly, consideration must be given to the applicant's intention. As the CJEU stated in *Lindt v Hauswirth*:

"41. ... in order to determine whether there was bad faith, consideration must also be given to the applicant's intention at the time when he files the application for registration.

42. It must be observed in that regard that, as the Advocate General states in point 58 of her Opinion, the applicant's intention at the relevant time is a subjective factor which must be determined by reference to the objective circumstances of the particular case.

43. Accordingly, the intention to prevent a third party from marketing a product may, in certain circumstances, be an element of bad faith on the part of the applicant.

44. That is in particular the case when it becomes apparent, subsequently, that the applicant applied for registration of a sign as a Community trade mark without intending to use it, his sole objective being to prevent a third party from entering the market.

45. In such a case, the mark does not fulfil its essential function, namely that of ensuring that the consumer or end-user can identify the origin of the product or service concerned by allowing him to distinguish that product or service from those of different origin, without any confusion (see, inter alia, Joined Cases C-456/01 P and C-457/01 P *Henkel v OHIM* [2004] ECR I-5089, paragraph 48)."

36) The relevant dates under section 3(6) are the dates of application of the contested marks i.e. 12 and 26 January 2018.

37) The opponent's claim is that the applicant, Codel Technology Limited, is a company set up by Beijing Mandrake Environmental Technologies Limited (also known as Mandrake) via their UK agent Mr Yikun Xi, a Chinese national and that the sole director of Codel Technology Limited is Mr Yikun Xi. The opponent explains that Beijing Mandrake Environmental Technologies limited are the Chinese distributors for the opponent and have been for approximately 10 years. The opponent's evidence, showing a print from its website listing its distributors, appears to support this claim and it has not been disputed by the applicant. The opponent states that it has not granted Mandrake, or the applicant, distribution rights in the UK.

38) The applicant has not disputed the opponent's claim about the relationship between Mr Xi, the sole director of the applicant, and Mandrake. Neither has it disputed that Mandrake has been the opponent's distributor in China for approximately 10 years. As Mr Xi is the sole director, and therefore the controlling mind of the applicant, his motives can be attributed to the applicant.⁷ It seems clear to me that, given his connection with Mandrake, Mr Xi would have been aware of the opponent's distribution agreement with Mandrake in China and of the opponent's use of the mark CODEL in the UK. Indeed, I have already found, when assessing the claim of passing off, that there was an intention by the applicant to benefit from the

⁷ Professor Ruth Annand, sitting as the Appointed Person, held in *Joseph Yu v Liaoning Light Industrial Products Import and Export Corporation* (BL O/013/15) that: "22. [A] claim of bad faith is not avoided by making an application in the name of an entity that is owned or otherwise controlled by the person behind the application."

opponent's goodwill in the UK. Not only do the letters in appendices 2 and 3 bear the opponent's CODEL mark but the opponent has stated that the get-up of the letter has been copied from its stationery and the opponent's directors are listed as being directors of the applicant when that is not the case. In all these circumstances and bearing in mind the lack of any explanation from the applicant for making the subject applications, I come to the clear view that its decision to apply for the contested marks falls below the standards of acceptable commercial behaviour judged by the ordinary standards of honest people. The ground under section 3(6) of the act succeeds in full.

Section 5(2)(b)

39) Section 5(2)(b) of the Act states:

“5. - (2) A trade mark shall not be registered if because –

(a)....

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

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

40) The leading authorities which guide me are from the Court of Justice of the European Union ('CJEU'): *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P.

The principles

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

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

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

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

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

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

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

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

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

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

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

Proof of use

41) Section 6A of the Act states:

“Raising of relative grounds in opposition proceedings in case of non-use

6A. - (1) This section applies where -

(a) an application for registration of a trade mark has been published,

(b) there is an earlier trade mark of a kind falling within section 6(1)(a), (b) or (ba) in relation to which the conditions set out in section 5(1), (2) or (3) obtain, and

(c) the registration procedure for the earlier trade mark was completed before the start of the period of five years ending with the date of publication.

(2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier trade mark unless the use conditions are met.

(3) The use conditions are met if -

(a) within the period of five years ending with the date of publication of the application the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or

(b) the earlier trade mark has not been so used, but there are proper reasons for non- use.

(4) For these purposes -

(a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and

(b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(5) In relation to a European Union trade mark or international trade mark (EC), any reference in subsection (3) or (4) to the United Kingdom shall be construed as a reference to the European Union.

(6) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.”

42) Section 100 is also relevant, which reads:

“If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it.”

Consequently, the onus is upon the opponent to prove that genuine use of the registered trade mark was made in the relevant period. That period is 07 April 2013 to 06 April 2018.

43) In *The London Taxi Corporation Limited v Frazer-Nash Research Limited & Ecotive Limited*, [2016] EWHC 52, Arnold J. summarised the case law on genuine use of trade marks. He stated:

“I would now summarise the principles for the assessment of whether there has been genuine use of a trade mark established by the case law of the Court of Justice, which also includes Case C-442/07 *Verein Radetsky-Order v Bunderversammlung Kamaradschaft 'Feldmarschall Radetsky'* [2008] ECR I-9223 and Case C-609/11 *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], [2014] ETMR 7, as follows:

(1) Genuine use means actual use of the trade mark by the proprietor or by a third party with authority to use the mark: *Ansul* at [35] and [37].

(2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Centrotherm* at [71]; *Leno* at [29].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Centrotherm* at [71]; *Leno* at [29].

(4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: *Ansul* at [37]. Internal use by the proprietor does not suffice: *Ansul* at [37]; *Verein* at [14]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle* at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].

(5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d'être* of the mark, which is to create or preserve an outlet for the goods or services that bear the mark: *Ansul* at [37]-[38]; *Verein* at [14]; *Silberquelle* at [18]; *Centrotherm* at [71].

(6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence that the proprietor is able to provide; and (g) the territorial extent of the use: *Ansul* at [38] and [39]; *La Mer* at [22]-[23]; *Sunrider* at [70]-[71], [76]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34]; *Leno* at [29]-[30], [56].

(7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor.

Thus there is no *de minimis* rule: *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72]; *Leno* at [55].

(8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [32].”

44) When it comes to determining a fair specification I must be mindful that in *Euro Gida Sanayi Ve Ticaret Limited v Gima (UK) Limited*, BL O/345/10, Mr Geoffrey Hobbs Q.C. as the Appointed Person summed up the law as being:

“In the present state of the law, fair protection is to be achieved by identifying and defining not the particular examples of goods or services for which there has been genuine use but the particular categories of goods or services they should realistically be taken to exemplify. For that purpose the terminology of the resulting specification should accord with the perceptions of the average consumer of the goods or services concerned.”

45) Further, in *Property Renaissance Ltd (t/a Titanic Spa) v Stanley Dock Hotel Ltd (t/a Titanic Hotel Liverpool) & Ors* [2016] EWHC 3103 (Ch), Mr Justice Carr summed up the law relating to partial revocation as follows.

“iii) Where the trade mark proprietor has made genuine use of the mark in respect of some goods or services covered by the general wording of the specification, and not others, it is necessary for the court to arrive at a fair specification in the circumstance, which may require amendment; *Thomas Pink Ltd v Victoria's Secret UK Ltd* [2014] EWHC 2631 (Ch) (“Thomas Pink”) at [52].

iv) In cases of partial revocation, pursuant to section 46(5) of the Trade Marks Act 1994, the question is how would the average consumer fairly describe the services in relation to which the trade mark has been used; *Thomas Pink* at [53].

v) It is not the task of the court to describe the use made by the trade mark proprietor in the narrowest possible terms unless that is what the average consumer would do. For example, in *Pan World Brands v Tripp Ltd* (Extreme Trade Mark) [2008] RPC 2 it was held that use in relation to holdalls justified a registration for luggage generally; *Thomas Pink* at [53].

vi) A trade mark proprietor should not be allowed to monopolise the use of a trade mark in relation to a general category of goods or services simply because he has used it in relation to a few. Conversely, a proprietor cannot reasonably be expected to use a mark in relation to all possible variations of the particular goods or services covered by the registration. *Maier v Asos Plc* [2015] EWCA Civ 220 ("Asos") at [56] and [60].

vii) In some cases, it may be possible to identify subcategories of goods or services within a general term which are capable of being viewed independently. In such cases, use in relation to only one subcategory will not constitute use in relation to all other subcategories. On the other hand, protection must not be cut down to those precise goods or services in relation to which the mark has been used. This would be to strip the proprietor of protection for all goods or services which the average consumer would consider to belong to the same group or category as those for which the mark has been used and which are not in substance different from them; *Mundipharma AG v OHIM* (Case T-256/04) ECR II-449; EU:T:2007:46."

46) Given my earlier comments regarding the use that the opponent has made of its earlier mark, CODEL, in the UK, I am satisfied that there has been genuine use within the five-year period prior to the publication dates of the contested marks. I consider that a fair specification reflecting that use is "Equipment for the measurement, analysis and monitoring of gases and air".

Goods comparison

47) The comparison to be made is therefore as follows:

Opponent's goods	Applicant's goods
<p>Class 09: Equipment for the measurement, analysis and monitoring of gases and air.</p>	<p>Class 09: Speedometer; Air analysis apparatus; Meteorological instruments; Gas testing instruments; Smoke detectors; Metal detectors for industrial or military purposes; Anemometers; Photometers; Optical apparatus and instruments; Exposure meters [light meters].</p>

48) All relevant factors relating to the respective goods should be taken into account when making the comparison. In *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer* the CJEU, Case C-39/97, stated at paragraph 23 of its judgment:

“In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary.”

49) Guidance on this issue has also come from Jacob J where, in *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281, the following factors were highlighted as being relevant:

- (a) The respective uses of the respective goods or services;
- (b) The respective users of the respective goods or services;
- (c) The physical nature of the goods or acts of service;

(d) The respective trade channels through which the goods or services reach the market;

(e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;

(f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.

50) In terms of being complementary (one of the factors referred to in *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer*), this relates to close connections or relationships that are important or indispensable for the use of the other. In *Boston Scientific Ltd v OHIM* Case T- 325/06, it was stated:

“It is true that goods are complementary if there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking..”

51) The applicant’s ‘air analysis apparatus’ and ‘gas testing instruments’ are identical to the opponent’s goods.

52) I have touched upon the similarity between the remainder of the applicant’s goods with those of the opponent earlier in this decision, having regard for the opponent’s helpful submissions on the matter. I find that the remainder of the applicant’s goods are similar to the opponent’s goods to at least a medium degree bearing in mind that the applicant’s goods may be complementary to the opponent’s goods and or share a similar purpose and that trade channels may be the same or substantially overlap.

Average consumer

53) It is necessary to determine who the average consumer is for the respective goods and the manner in which they are likely to be selected. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

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

54) The average consumer of the goods at issue is likely to be a professional in industry. I have nothing before me indicating the cost of the competing goods but I would not expect any of them to be inexpensive. Factors such as functionality and suitability for purpose will no doubt be taken account of by the consumer. The purchase is likely to be made after perusing the internet or trade catalogues such that the visual aspect is important but I also bear in mind the potential for aural use. Generally speaking, I would expect the level of attention to range from medium to high depending on the precise nature of the goods being purchased.

Similarity of the marks

55) I have already assessed the similarity of the competing marks under section 5(4)(a). The applicant’s CODEL GCEM, CODEL VCEM and CODEL DCEM marks are highly similar to the opponent’s CODEL mark and the MANDRAKE-CODEL (stylised) is similar to a medium degree to the opponent’s CODEL mark.

Distinctive character

56) The distinctive character of the earlier mark must be considered. The more distinctive it is, either by inherent nature or by use, the greater the likelihood of confusion (*Sabel BV v Puma AG*). In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97 the CJEU stated that:

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51).”

57) Inherently, I find that the word CODEL, which has the appearance of an invented word, is highly distinctive.

58) As to whether the distinctiveness of the earlier mark has been enhanced due to the use made of it, I find that it has not. The mark has clearly been used in the UK for some time. However, there is little evidence of promotion or advertising and there is no evidence showing the level of annual turnover or market share, for example.

Likelihood of confusion

59) I must now feed all of my earlier findings into the global assessment of the likelihood of confusion, keeping in mind the following factors: i) the interdependency principle, whereby a lesser degree of similarity between the goods may be offset by a greater similarity between the marks, and vice versa (*Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*); ii) the principle that the more distinctive the earlier mark is, the greater the likelihood of confusion (*Sabel BV v Puma AG*), and; iii) the factor of imperfect recollection i.e. that consumers rarely have the opportunity to compare marks side by side but must rather rely on the imperfect picture that they have kept in their mind (*Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V.*).

60) The applicant's marks are either highly similar or similar to a medium degree to the earlier mark and the respective goods range from being identical to similar to at least a medium degree. The average consumer, being a professional in industry, is likely to pay a medium to high degree of attention. The visual aspect of the purchase is important, but the aural aspect is borne in mind. The earlier mark also has a high degree of inherent distinctiveness. Weighing all these factors, I find that there is a likelihood of direct confusion between the applicant's CODEL VCEM, CODEL GCEM and CODEL DCEM marks and the earlier mark, having regard for imperfect recollection, even where the level of attention is high. Further, even if the differences between the marks are noticed, there is nevertheless a likelihood of indirect confusion as the applicant's marks have the appearance of being different product ranges sold under the CODEL brand. In respect of the applicant's MANDRAKE-CODEL (stylised) mark, I do not consider that this mark is likely to be mistaken for the opponent's mark, but the average consumer is likely to believe that the respective goods emanate from the same undertaking bearing in mind the independent distinctiveness of the CODEL element within the contested mark and the medium degree of similarity between the marks overall. The ground under section 5(2)(b) succeeds in full.

Section 5(3)

61) This section of the Act provides that:

“(3) A trade mark which-

(a) is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a European Union trade mark or international trade mark (EC), in the European Union) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.”

62) The leading cases in assessing a claim under section 5(3) of the Act are the following judgments of the CJEU: Case C-375/97, *General Motors*, [1999] ETMR 950, Case 252/07, *Intel*, [2009] ETMR 13, Case C-408/01, *Addidas-Salomon*, [2004] ETMR 10 and Case C-487/07, *L’Oreal v Bellure* [2009] ETMR 55 and Case C-323/09, *Marks and Spencer v Interflora*. The law appears to be as follows:

- (a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors, paragraph 24*.
- (b) The trade mark for which protection is sought must be known by a significant part of that relevant public; *General Motors, paragraph 26*.
- (c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the later mark would cause an average consumer to bring the earlier mark to mind; *Adidas Saloman, paragraph 29* and *Intel, paragraph 63*.
- (d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods/services, the extent of the overlap between

the relevant consumers for those goods/services, and the strength of the earlier mark's reputation and distinctiveness; *Intel, paragraph 42*

- (e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future; *Intel, paragraph 68*; whether this is the case must also be assessed globally, taking account of all relevant factors; *Intel, paragraph 79*.
- (f) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious likelihood that this will happen in future; *Intel, paragraphs 76 and 77*.
- (g) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; *Intel, paragraph 74*.
- (h) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact of the earlier mark; *L'Oreal v Bellure NV, paragraph 40*.
- (i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image.

This covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks and Spencer v Interflora*, paragraph 74 and the court's answer to question 1 in *L'Oreal v Bellure*).

Reputation

63) The required level of reputation was described by the CJEU in *General Motors* in the following way:

“23. ... In so far as Article 5(2) of the Directive, unlike Article 5(1), protects trade marks registered for non-similar products or services, its first condition implies a certain degree of knowledge of the earlier trade mark among the public. It is only where there is a sufficient degree of knowledge of that mark that the public, when confronted by the later trade mark, may possibly make an association between the two trade marks, even when used for non-similar products or services, and that the earlier trade mark may consequently be damaged.

24. The public amongst which the earlier trade mark must have acquired a reputation is that concerned by that trade mark, that is to say, depending on the product or service marketed, either the public at large or a more specialised public, for example traders in a specific sector.

25. It cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trade mark must be known by a given percentage of the public so defined.

26. The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.

27. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it.”

64) I have already commented earlier in this decision on the use that has been made of the mark CODEL in the UK. I accept that there has clearly been genuine use of that mark by the opponent consistently since 2009. However, there is little evidence before me of advertising. In the absence of further evidence showing, for example, widespread promotion of the mark in the UK, annual turnover figures and/or market share evidence, I am unable to conclude that the earlier mark has the requisite reputation. The ground under section 5(3) is dismissed.

OVERALL OUTCOME

65) The opposition succeeds.

COSTS

66) As the opponent has been successful, it is entitled to a contribution towards its costs. Using the guidance in Annex A of Tribunal Practice Notice 2/2016, I award the opponent costs on the following basis:

Preparing the Notices of Opposition and reviewing the counterstatements	£400
Official fee x 4 (Form TM7)	£800
Filing evidence	£800
Total:	£2000

67) I order Codel Technology Ltd to pay Codel International Limited the sum of **£2000**. This sum is to be paid within 21 days of the expiry of the appeal period or within 21 days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 18th day of October 2019

**Beverley Hedley
For the Registrar,
the Comptroller-General**

Annex A

Goods and services relied upon under section 5(4)(a) for the earlier right, CODEL:

Sensors; measuring apparatus; monitoring apparatus; gas sensors; gas monitoring apparatus; dust sensors; dust monitors; dust monitoring apparatus; air sensors; air monitors; air monitoring apparatus; air analysis apparatus; air measurement and control equipment; gas measurement and control equipment; smoke measurement and control equipment; dust measurement and control equipment; marine sensors; opacity sensors, opacity monitors; computer analysis equipment for opacity sensing and opacity monitoring; pollution sensors, pollution monitors; particulate sensors, particulate monitors; smoke detectors, smoke monitors; flue gas analysers; road tunnel sensors and monitors; rail tunnel sensors and monitors; underground mine sensors and monitors; detection equipment for the presence or absence of flames in fuel burners; stack emission monitoring equipment; multi - channel stack emission monitors; flue gas stack emissions monitors; stack emission gas analysers; automated emission monitoring apparatus; flow monitor; air flow monitors; gas flow monitors; boiler monitoring equipment; electrochemical sensors; broken bag detectors, bag filter monitoring, speedometers; meteorological instruments; gas testing instruments; metal detectors for industrial or military purposes; anemometers; photometers; optical apparatus and instruments; exposure meters [light meters]; associated spare parts, fittings and cartridges for all the aforesaid goods.

Servicing and maintenance of sensors and sensor systems; Servicing and maintenance of sensors and monitoring equipment for chemical plant and processes, mining, road and rail tunnels, ships and shipping, and marine applications, power stations; design of gas monitoring and gas detection systems; design of dust monitoring and dust detection systems; design of particulate monitoring and particulate sensing systems; Servicing and maintenance of gas monitoring and gas detection sensors and systems; servicing and maintenance of dust monitoring and detection sensors and systems; servicing and maintenance of particulate monitoring and particulate sensing systems; servicing and maintenance of particulate sensors

Design and development of computer hardware and software for sensor systems; design and development of computer hardware and software for sensor systems and monitoring systems for chemical plant processing, mining, road and rail, tunnels, ships and maritime, marine engines, power stations; design and development of computer hardware and software for monitoring systems for dust, particulates, gases; design consultancy in respect of sensors and monitoring systems for chemical plant and processes, mining, road and rail tunnels, ships and shipping, marine engines and marine applications, power stations, gas monitoring and gas detection systems, dust monitoring and dust detection systems, particulate monitoring and particulate sensing systems; industrial analysis of gas, particulate and dust emissions for chemical plant processing, mining, road and rail, tunnels, ships and maritime, marine engines, power stations, localised electricity generation (diesel generators); industrial analysis and monitoring of pollution; industrial analysis and monitoring of gas flows.
