

O/904/21

TRADE MARKS ACT 1994

**IN THE MATTER OF REGISTRATION NO. 3483045
BY TARMAC CEMENT AND LIME LIMITED
FOR THE FOLLOWING TRADE MARK**

MASTERLAY

masterlay

(SERIES OF TWO)

**AS A TRADE MARK
IN CLASSES 1 AND 19**

AND

**AN APPLICATION FOR A DECLARATION OF INVALIDITY
UNDER NO. 503398
BY CONSTRUCTION RESEARCH & TECHNOLOGY GMBH**

Background and Pleadings

1. Tarmac Cement and Lime Limited (“the proprietor”) applied to register the series of trade marks shown on the cover page of this decision (“the proprietor’s registration”) in the UK on 21 April 2020. It was registered on 11 August 2020 in respect of the following goods:

Class 1: *Chemical preparations for industrial use in particular for floor levelling products; chemical products to be added to concrete and cement products; chemical products and preparations for use in self-levelling concrete and cement; chemical products and preparations for use in floor levelling compounds; cements for laying flooring; cements for laying tiles; adhesives for floor tiles; adhesives for floors and floorings not of metal; preservatives for tiles, except paints and oils; adhesives for use in industry; adhesives for building purposes; additives for cement and concrete; parts and fittings for the aforesaid goods.*

Class 19: *Building and construction materials; asphalt; concrete, mortar; cement; self-levelling concrete; self-levelling cement; floor levelling compounds; floors, floorings and floor tiles not of metal; non-metallic floor boards; adhesive mortar for use in buildings; flooring underlay; parts and fittings for the aforesaid goods.*

2. On 19 October 2020, Construction Research & Technology GmbH (“the applicant”) filed an application to invalidate the proprietor’s registration under section 47 of the Trade Marks Act (“the Act”). The applicant relies upon section 5(2)(b) of the the Act. The invalidation is directed at the registration in its entirety. The applicant relies on the following trade mark:

MASTERAIR

EU registration no. 10507069¹

¹ Although the UK has left the EU and the EUTM relied upon by the opponent enjoys protection in the UK as a comparable trade mark, the EUTM remains the relevant right in these proceedings. That is because the application was filed before the end of the Implementation Period and, under the transitional provisions of the Trade Marks (Amendment etc.) (EU Exit) Regulations 2019, I am obliged to decide the application for invalidity on the basis of the law as it stood at the date of application.

Filing date 5 December 2011; registration date 31 August 2012.

Relying on all goods, namely:

Class 1: *Chemicals for industrial use and construction.*

3. The applicant submits that there is a likelihood of confusion because the proprietor's registration is similar to the applicant's and the respective goods are identical or similar.

4. The proprietor filed a counterstatement denying the claims made and putting the applicant to proof of use for the applicant's mark.

5. The applicant is represented by Elkington and Fife LLP and the proprietor is represented by Freeths LLP. Both parties filed evidence in chief and, during the evidence rounds, also filed written submissions. The applicant also filed evidence in reply. No hearing was requested. On the proprietor filed written submissions in lieu. This decision is taken following a careful perusal of the papers.

6. Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Act relied on in these proceedings are derived from an EU Directive. This is why this decision continues to make reference to the trade mark case-law of EU courts.

Evidence

7. As set out above, both parties filed evidence. The applicant filed evidence in chief in the form of the witness statement of Sven Asmus dated 22 March 2021 and evidence in reply in the form of the witness statement of Dr Hans-Jurgen Juhl dated 10 August 2021. Mr Asmus is a Managing Director of the opponent and Chief Technology Officer of the MBCC group. Mr Asmus' statement is accompanied by 9 exhibits. Dr Juhl is a Managing Director of the opponent, a position he has held since January 2017. Dr Juhl's witness statement is unaccompanied by any exhibits.

8. The proprietor filed evidence in the form of a witness statement of Lloyd Andrew Lane dated 23 June 2021. Mr Lane is a Senior Associate at the proprietor's representative. Mr Lane's statement is accompanied by 1 exhibit. Attached to the proprietor's written submission in the evidence round were two annexed documents, one of which is the same document attached to the aforementioned exhibit. Annex 1, was not properly filed as evidence and will therefore not be considered as such.

9. I do not propose to summarise the evidence or the parties' submissions in full at this stage. However, I have taken them all into consideration in reaching my decision and will refer to them below, where necessary.

Preliminary issues

10. It is noted that the proprietor, in its written submissions, refers to a decision of the Office for Harmonisation in the Internal Market (OHIM) (Trade Marks and Designs), namely, Case R 1648/2011-4. The submissions read as follows:

“ 22. In particular, the Proprietor draws the Tribunal's attention to the decision of the EUIPO Board of Appeal's upholding the refusal of the Applicant's EU trade mark application for MASTER BUILDERS (Case R 1648/2011-4). A copy of the English version of the decision is enclosed as Annex 1 for ease of reference.

23. The Proprietor notes that the mark MASTER BUILDERS was held to lack distinctive character in respect of “*Chemicals used in industry; adhesives used in industry*” in Class 1 and “*Building materials (non-metallic)*” in Class 19. In particular the Board of Appeal held that the mark “contains an indication of quality, because the consumer expects particular demands with regard to quality to be made of the materials used by a master, no matter what field is involved” (¶13).”²

² Proprietor's submissions paragraph 22 and 23.

11. While not expressly pleaded, it appears as if the proprietor is arguing that as the applicant's previous mark MASTER BUILDER was found to be non-distinctive the same decision should be reached in regard to MASTERAIR. Firstly, I am not bound by this decision, and secondly, the contested mark in those proceedings ("MASTER BUILDER") is not relied upon by the applicant in the present case. Therefore, the decision is irrelevant as the analysis of the marks will differ.

12. The proprietor has provided evidence which consists of a list of existing trade marks that contain the word "MASTER" and are registered for goods in class 1.³ In *Zero Industry Srl v OHIM*, Case T-400/06, the General Court ("GC") addressed evidence in relation to the state of the register, and stated that:

"73. As regards the results of the research submitted by the applicant, according to which 93 Community trade marks are made up of or include the word 'zero', it should be pointed out that the Opposition Division found, in that regard, that '... there are no indications as to how many of such trade marks are effectively used in the market'. The applicant did not dispute that finding before the Board of Appeal but none the less reverted to the issue of that evidence in its application lodged at the Court. It must be found that the mere fact that a number of trade marks relating to the goods at issue contain the word 'zero' is not enough to establish that the distinctive character of that element has been weakened because of its frequent use in the field concerned (see, by analogy, Case T-135/04 GfK v OHIM – BUS(Online Bus) [2005] ECR II-4865, paragraph 68, and Case T-29/04 Castellblanch v OHIM – Champagne Roederer (CRISTAL CASTELLBLANCH) [2005] ECR II-5309, paragraph 71)."

13. In its submissions the applicant states that the proprietor's evidence concerns the state of the register and has "little, if any, probative value".⁴ Applying the case law above, I agree with the applicant in that the mere fact that there are multiple marks containing the word "MASTER" on the register (either in this jurisdiction or in the EU) is not relevant to my assessment. I have no evidence of how (if at all) these marks

³ Exhibit LAL1 in the Witness Statement of Lloyd Andrew Lane

⁴ Paragraph 3 in the Witness Statement of Dr Hans-Jurgen Juhl.

have been used in the marketplace. This submission does not assist the proprietor. I will say no more about this evidence.

Proof of use

14. An earlier trade mark is defined in section 6 of the Act, the relevant parts of which state:

“(6)(1) In this Act an “earlier trade mark” means –

(a) a registered trade mark, international trade mark (UK) or Community trade mark or international trade mark (EC) which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks,

(2) References in this Act to an earlier trade mark include a trade mark in respect of which an application for registration has been made and which, if registered, would be an earlier trade mark by virtue of subsection (1)(a) or (b), subject to its being so registered.”

15. Given its filing date, the applicant’s mark qualifies as an earlier trade mark under the above provisions. I note that in its counterstatement, the proprietor sought to put the applicant to proof of use of its mark because its mark completed its registration process more than 5 years before the date of the application in issue. Therefore, it is subject to proof of use pursuant to section 6A of the Act.

16. The relevant statutory provisions are as follows:

“Grounds for invalidity of registration

47(1) [...]

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

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

(b) [...]

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

(2ZA) [...]

(2A) The registration of a trade mark may not be declared invalid on the ground that there is an earlier trade mark unless –

(a) the registration procedure for the earlier trade mark was completed within the period of five years ending with the date of the application for the declaration,

(b) the registration procedure for the earlier trade mark was not completed before that date, or

(c) the use conditions are met.

(2B) The use conditions are met if –

(a) the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with their consent in relation to the goods or services for which it is registered –

(i) within the period of 5 years ending with the date of application for the declaration; and

(ii) within the period of 5 years ending with the date of filing of the application for registration of the later trade mark or

(where applicable) the date of the priority claimed in respect of that application where, at that date, the five year period within which the earlier trade mark should have been put to genuine use as provided section 46(1)(a) has expired, or

(b) it has not been so used, but there are proper reasons for non-use.

(2C) [...]

(2D) In relation to a European Union trade mark or international trade mark (EC), any reference in subsection 2B or 2C to the United Kingdom shall be construed as a reference to the European Union.

(2DA) [...]

(2E) 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.

(2F) Subsection (2A) does not apply where the earlier trade mark is a trade mark within section 6(1)(c).

[...]

(5) Where the grounds of invalidity exists in respect of only some of the goods or services for which the trade mark is registered, the trade mark shall be declared invalid as regards those goods or services only.

(5A) [...]

(6) Where the registration of a trade mark is declared invalid to any extent, the registration shall be deemed never to have been made.

Provided that this shall not affect transactions past and closed.”

17. Section 100 of the Act is also relevant, which reads:

“100. 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.”

18. In *Walton International Ltd & Anor v Verweij Fashion BV* [2018] EWHC 1608 (Ch) Arnold J (as he then was) summarised the law relating to genuine use as follows:

“114.....The CJEU has considered what amounts to “genuine use” of a trade mark in a series of cases: Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, *La Mer* (cited above), Case C-416/04 P *Sunrider Corp v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [2006] ECR I-4237, Case C-442/07 *Verein Radetsky-Order v Bunderversvereinigung Kamaradschaft ‘Feldmarschall Radetsky’* [2008] ECR I-9223, Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759, Case C-149/11 *Leno Merken BV v Hagelkruis Beheer BV* [EU:C:2012:816], [2013] ETMR 16, Case C-609/11 P *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], [2014] ETMR, Case C-141/13 P *Reber Holding & Co KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [EU:C:2014:2089] and Case C-689/15 *W.F. Gözze Frottierweberei GmbH v Verein Bremer Baumwollbörse* [EU:C:2017:434], [2017] Bus LR 1795.

115. The principles established by these cases may be summarised 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]; *Leno* at [29]; *Centrotherm* at [71]; *Reber* 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]; *Leno* at [29]; *Centrotherm* at [71]. Accordingly, affixing of a trade mark on goods as a label of quality is not genuine use unless it guarantees, additionally and simultaneously, to consumers that those goods come from a single undertaking under the control of which the goods are manufactured and which is responsible for their quality: *Gözze* at [43]-[51].

(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] and [22]. 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]; *Reber* at [29].

(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]; *Leno* at [29]-[30], [56]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34].

(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] and [76]-[77]; *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].”

19. Pursuant to section 47(2B) of the Act, there are two relevant periods for assessing whether there has been genuine use of the applicant’s mark: 1) the five-year period ending with the date of the application for invalidity i.e. 20 October 2015 to 19 October 2020 and 2) the five-year period ending the date the proprietor’s registration was filed i.e. 22 April 2015 to 21 April 2020.

20. As the applicant’s mark is an EUTM, the opponent must show use in the EU. In *Leno Merken BV v Hagelkruis Beheer BV*, Case C-149/11, the Court of Justice of the European Union (“the CJEU”) noted that:

“It should, however, be observed that ... the territorial scope of the use is not a separate condition for genuine use but one of the factors determining genuine use, which must be included in the overall analysis and examined at the same time as other such factors. In that regard, the phrase ‘in the Community’ is

intended to define the geographical market serving as the reference point for all consideration of whether a Community trade mark has been put to genuine use.”⁵

21. Proven use of a mark which fails to establish that “the commercial exploitation of the marks is real” because the use would not be “viewed as warranted in the economic sector concerned to maintain or create a share in the mark for the goods or services protected by the mark” is, therefore, not genuine use.

Form of the mark

22. In *Colloseum Holdings AG v Levi Strauss & Co*, Case C-12/12, the CJEU found that:

“31. It is true that the ‘use’ through which a sign acquires a distinctive character under Article 7(3) of Regulation No 40/94 relates to the period before its registration as a trade mark, whereas ‘genuine use’, within the meaning of Article 15(1) of that regulation, relates to a five-year period following registration and, accordingly, ‘use’ within the meaning of Article 7(3) for the purpose of registration may not be relied on as such to establish ‘use’ within the meaning of Article 15(1) for the purpose of preserving the rights of the proprietor of the registered trade mark.

32. Nevertheless, as is apparent from paragraphs 27 to 30 of the judgment in *Nestle*, the ‘use’ of a mark, in its literal sense, generally encompasses both its independent use and its use as part of another mark taken as a whole or in conjunction with that other mark.

33. As the German and United Kingdom Governments pointed out at the hearing before the Court, the criterion of use, which continues to be fundamental, cannot be assessed in the light of different considerations according to whether the issue to be decided is whether use is capable of giving

⁵ Paragraph 36.

rise to rights relating to a mark or of ensuring that such rights are preserved. If it is possible to acquire trade mark protection for a sign through a specific use made of the sign, that same form of use must also be capable of ensuring that such protection is preserved.

34. Therefore, the requirements that apply to verification of the genuine use of a mark, within the meaning of Article 15(1) of Regulation No 40/94, are analogous to those concerning the acquisition of a sign of distinctive character through use for the purpose of its registration, within the meaning of Article 7(3) of the regulation.

35. Nevertheless, as pointed out by the German Government, the United Kingdom Government and the European Commission, a registered trade mark that is used only as part of a composite mark or in conjunction with another mark must continue to be perceived as indicative of the origin of the product at issue for that use to be covered by the term 'genuine use' within the meaning of Article 15(1)". (emphasis added)

23. The applicant's mark is "MASTERAIR". The mark has been used as registered throughout the evidence. In addition, the applicant has also used its mark in the following ways:

MasterAir 108

MASTERAIR 119

24. These examples are both shown in standard fonts. The first example is presented in blue, has the first and seventh letters capitalised and the remainder of the text is presented in lowercase. The second example is in black and appears in upper case. The presentation of the words in these examples is in line with notional and fair use of the mark as registered.⁶ However, both examples are followed by the numbers "108" and "109", respectively. Throughout the uses shown above the word "MASTERAIR" remains the primary indication of origin for the goods. As a result, and

⁶ *Migros-Genossenschafts-Bund v EUIPO*, Case T-189/16

in accordance with *Colloseum*, I consider the marks shown above are both examples of use of the applicant's mark as registered.

Genuine use

25. As cited above in the legislation, genuine use of the mark does not need to be by the trade mark owner but can be with the owner's consent in relation to the goods and services for which the mark is registered. The evidence shows use of the mark by companies other than the applicant, namely BASF Construction Chemicals ("BASF CC") and Master Builders Solutions ("MBS"). The applicant's evidence sets out that both it and MBS were owned by BASF CC, which was itself owned by BASF. However, on 30 September 2020, BASF CC was sold to an affiliate of an equity fund called 'Lone Star' and became known as the MBCC Group.⁷ Given that BASF CC (now MBCC Group) and MBS both appear to have been corporate entities within the same corporate structure as the applicant, I consider it reasonable to conclude that their use of the applicant's mark during the relevant periods was with consent of the applicant. I note that the proprietor has not taken any specific issue with the parties who have used the mark. The consent, referenced above, does not need to be in writing, therefore, the fact that this was not provided as evidence is not damaging to the applicant.

26. The applicant has provided evidence in respect of invoices, internal sales documents and product information sheets. I note the following, in regard to the evidence:

- a) A copy of the brochure entitled "Master Builders solutions from BASF" which provides information on the services offered by the company, summarises the previous brands being incorporated into the "Master Builders Solutions" brand and provides examples of projects completed using their products.
- b) Documents internal to the applicant's organisation detailing sales to Tarmac Trading Limited. The sales of MASTERAIR products on the invoices total £22,342.⁸

⁷ Exhibit SA1 of the Witness Statement of Sven Asmus

⁸ Ibid, Exhibits SA4 and SA8

- c) Print outs from Companies House with the company details of Tarmac Trading Limited⁹ and Tarmac Cement and Lime Limited.¹⁰
- d) A copy of the product information sheet for the applicant's MASTERAIR product dated October 2016.¹¹ The extent and distribution of the applicant's catalogue has not been provided. However, it was confirmed in the evidence that the catalogue was distributed throughout the relevant territory.¹²
- e) A number of sample invoices that pertain to the sale of products from the applicant to Tarmac Trading Limited.¹³

27. As set out above, the applicant provided evidence in the form of extracts from companies house in relation to Tarmac Trading Limited and the proprietor. The applicant expressly argued that these extracts were provided to demonstrate that as there is a close relationship between the two companies and as the applicant has done business with Tarmac Trading, there is an awareness of the applicant's mark by the proprietor. While this evidence is noted, I do not consider that it constitutes an acceptance by the proprietor of genuine use and I note that no such concession has been made. Therefore, I find this evidence to be irrelevant outside of its scope as evidence of use, generally.

28. In respect of the invoices provided, I note that these are addressed to Tarmac Trading Limited in London. Having reviewed the evidence, I note that, of the invoices from within the relevant period, none of the products referred to make reference to the applicant's mark, even when cross referenced to the product information sheet or the applicant's internal sales document. There is no evidence to indicate that the products referenced on the invoices are MASTERAIR products. However, I note that these are only sample invoices of the relevant period and I will factor that into my assessment.

29. The applicant has provided evidence regarding its turnover. Of this, I note that the applicant states that between 2016 and 2020 the following value of products were sold "in the EU": €3.7 million (2016), €3.7 million (2017), €4.3 million (2018), €4.5 million (2019), €4.5 million (2020); for a total of €20.9 million over the same period.

⁹ Ibid, Exhibit SA6

¹⁰ Ibid, Exhibit SA7

¹¹ Ibid, Exhibit SA9

¹² Paragraph 12 in the Witness Statement of Sven Asmus

¹³ Ibid Exhibit SA5

Clearly, the applicant has been using its mark for a number of years and the turnover figures are not insufficient. While there is no specific breakdown of these figures, I note that the applicant has provided an internal document demonstrating the sales of its products to Tarmac Trading Limited which bear the applicant's mark. The product information sheet, which the applicant states is distributed to its customers and potential customers, bears use of the applicant's mark. I am, therefore, content to conclude that the figures provided relate to sales of the applicant's goods under its MASTERAIR branding.

30. Although, I do not have evidence or submissions from the parties to assist me on the matter of the size of the EU market for the goods concerned, I believe the market to be substantial, numbering in billions of euros per annum. In my view, when compared against the size of the relevant market, the turnover figures are low. However, despite this, they are a level of sales that indicate a frequent level of use on a reasonable scale across the EU in respect of the goods for which the applicant's mark is registered. In making this finding, I have taken into account the fact that the sample invoices do not show use of the applicant's mark. However, as discussed in paragraph 29, I find that cross referencing the turnover figures with the product information sheet is sufficient to demonstrate use. Furthermore, I note that no evidence has been provided relating to marketing or advertising expenditure.

31. Taking all the above evidence into account, I am of the view that it is clear that the applicant has attempted to create and maintain a market for its goods under its mark. Therefore, I am satisfied that the applicant has demonstrated genuine use of its mark during the relevant period.

Fair specification

32. I must now consider whether, or the extent to which, the evidence shows use of the applicant's marks in relation to the goods relied upon. In *Euro Gida Sanayi ve Ticaret Limited v Gima (UK) Limited*, BL O/345/10, Mr Geoffrey Hobbs QC, sitting as the Appointed Person, summed up the law as follows:

“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.”

33. The applicant relies on the following goods:

Class 1: *Chemicals for industrial use and construction.*

34. In light of the use shown, I have given consideration to precisely limiting the applicant’s specification. Ultimately, I concluded that the specification as registered reflected how the average consumer would identify the goods. Therefore, I consider the use shown to be sufficient to allow the opponent to rely on its current specification, which I consider to be a fair specification of the mark.

Section 5(2)(b): legislation and case law

35. Section 5(2)(b) of the Act reads as follows:

“(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 or association with the earlier trade mark.”

36. Section 5A of the Act states as follows:

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

37. The following principles are gleaned from the decisions of the EU courts in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P.

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

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

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

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impression 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 greater 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 to mind the earlier mark, 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.

Comparison of the goods

38. The goods to be compared are as follows:

Proprietor's goods	Applicant's goods
Class 1: <i>Chemical preparations for industrial use in particular for floor levelling products; chemical products to</i>	Class 1: <i>Chemicals for industrial use and Construction.</i>

be added to concrete and cement products; chemical products and preparations for use in self-levelling concrete and cement; chemical products and preparations for use in floor levelling compounds; cements for laying flooring; cements for laying tiles; adhesives for floor tiles; adhesives for floors and floorings not of metal; preservatives for tiles, except paints and oils; adhesives for use in industry; adhesives for building purposes; additives for cement and concrete; parts and fittings for the aforesaid goods.

Class 19: *Building and construction materials; asphalt; concrete, mortar; cement; self-levelling concrete; self-levelling cement; floor levelling compounds; floors, floorings and floor tiles not of metal; non-metallic floor boards; adhesive mortar for use in buildings; flooring underlay; parts and fittings for the aforesaid goods.*

39. When making the comparison, all relevant factors relating to the goods in the specifications should be taken into account. In the judgment of the CJEU in *Canon*, Case C-39/97, the court stated at paragraph 23 of its judgment that:

“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”.

40. Guidance on this issue has also come from Jacob J. (as he was then) in the *Treat* case, [1996] R.P.C. 281, where he identified the factors for assessing similarity as:

(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.”

41. In *Gérard Meric v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* case T-133/05, the GC stated:

“29 In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by the trade mark application (Case T-388/00 *Institut für Lernsysteme v OHIM – Educational Services (ELS)* [2002] ECR II-4301, paragraph 53) or when the goods designated by the trade mark application are included in a more general category designated by the earlier mark”

Class 1

42. I have submissions from both parties regarding the similarity of the goods and note that the proprietor has made concessions as regards to similarity. Where I agree with those concessions, I will refer to them below.

43. The proprietor admits that “*chemical preparations for industrial use in particular for floor levelling products*” in its specification are identical to the applicant’s goods. I accept this admission and find the goods to be identical.

44. The proprietor also admits that “*chemical products to be added to concrete and cement products*”, “*chemical products and preparations for use in self-levelling concrete and cement*” and “*chemical products and preparations for use in floor levelling compounds*” in its specification are highly similar to the applicant’s goods. I accept this admission and find the goods to be similar to a high degree.

45. While I have submissions from both parties as to the similarity between “*additives for cement and concrete*” in the proprietor’s specification and the applicant’s goods, I have no submissions as to what these goods are. The submissions regarding similarity here are noted, however, it is my view that the proprietor’s goods fall within the wider specification of the applicant’s goods. Therefore, I find the goods to be identical on the principle outlined in *Meric*.

46. “*Cements for laying flooring*”, “*cements for laying tiles*”, “*adhesives for floor tiles*”, “*adhesives for floors and floorings not of metal*”, “*adhesives for use in industry*” and “*adhesives for building purposes*” in the proprietor’s specification the applicant’s goods are similar. The proprietor admits a medium level of similarity. In my view, the goods at issue have a similar nature, as they have or can have a chemical origin. The goods are likely to be produced by the same or related undertaking and be distributed through the same trade channels. Bearing all the above in mind, I consider the goods to be similar to a medium degree.

47. *“Preservatives for tiles, except paints and oils”* in the proprietor’s specification and the applicant’s goods are similar. The proprietor admits that the goods are similar to a medium degree. I agree with the proprietor. The goods at issue may share the same nature and purpose, as they are all chemical substances and preparations that are used in the construction industry. I consider that the goods may be manufactured by the same or related undertaking, share the same trade channels and coincide in end users. The goods may be in competition but are not complementary.

48. That leaves *“parts and fittings for the aforesaid goods”* in the proprietor’s specification. In my view, it is unclear what “parts and fittings” are in relation to the goods in the proprietor’s specification. Additionally, no submissions or evidence have been provided to assist me in this matter. In any event, I consider that any overlap in end purpose, users and trade channels between the parties’ goods will also be found in relation to the parts and fittings of the proprietor’s goods and the applicant’s goods. Therefore, I consider the goods to be similar to a medium degree.

Class 19

49. The applicant submits that *“building and construction materials”, “asphalt”, “concrete, mortar”, “cement”, “self-levelling concrete”, “self-levelling cement”, “floor levelling compounds”* and *“adhesive mortar for use in buildings”* are similar to the applicant’s goods on the basis that they can be used to produce the proprietor’s goods. The proprietor admits that the goods are similar to a low degree due to the complementary nature of the goods. In my view, the goods differ in nature and are not normally produced by the same or related undertakings. Instead, the applicant’s goods are normally used by undertakings for the production of their products and are therefore targeted at a different market than the proprietor’s building materials. However, the end purpose and trade channels of the goods are shared on the basis that they are all used for construction and may both be sold via the same, albeit specialist, trade channels. Although the applicant’s goods may be used to produce the proprietor’s goods, the mere fact that the goods can be composed of several components, which may belong to the applicant’s specification does not establish an automatic similarity between the finished product and its parts.¹⁴ The goods are not in

¹⁴ Les Editions Albert Rene v OHIM, Case T-336/03

competition. In my view, the goods are not complementary, as although the building and construction materials above are sometimes used with chemical additives they are not important and/or indispensable to one another.¹⁵ Based on the factors above, I agree with the proprietor and find the goods to be similar to a low degree.

50. “*Floors, floorings and floor tiles not of metal*”, “*non-metallic floor boards*” and “*flooring underlay*” in the proprietor’s specification are all flooring products. The applicant submits that the goods are similar to the applicant’s goods on the basis that they are used in the production of its goods. As mentioned above, although the applicant’s goods may be used to produce the proprietor’s goods, the mere fact that the goods can be composed of several components, which may belong to the applicant’s specification, does not establish an automatic similarity between the finished product and its parts. I do not consider that these goods have any similarity with the applicant’s goods. Therefore, I conclude that these goods are dissimilar.

51. Finally, I will address “*parts and fittings for the aforesaid goods*” in the proprietor’s specification. As mentioned above, it is unclear what “parts and fittings” are in relation to the goods in the proprietor’s specification and no submissions or evidence have been provided to assist me in this matter. In any event, where goods are dissimilar, it follows that the parts and fittings for those goods are also dissimilar to the goods in the applicant’s specification. For those goods that I have found similar to a low degree, I am of the view that the parts and fitting associated with the goods are also dissimilar. However, if I am mistaken, I find the goods to be similar to a very low degree.

52. As some degree of similarity between goods is necessary to engage the test for likelihood of confusion, my findings above mean that the opposition aimed against those goods I have found to be dissimilar will fail.¹⁶ For ease of reference, the opposition fails against the following goods in the applicant’s specification:

Class 19: *floors, floorings and floor tiles not of metal; non-metallic floor boards; flooring underlay; parts and fittings for the aforesaid goods.*

¹⁵ Kurt Hesse v OHIM, Case C-50/15 P

¹⁶ eSure Insurance v Direct Line Insurance, [2008] ETMR 77 CA

The average consumer and the purchasing process

53. As the law above indicates, it is necessary for me to determine who the average customer is for the parties' goods. I must then determine the manner in which the goods are likely to be selected by the average consumer. 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. While both parties submit that the average consumer will be professionals (tradespeople), the applicant also submits that the average consumer will also consist of members of the general public. I agree with the applicant and find that the average consumer for the goods at issue will be members of the general public (including do-it-yourself enthusiasts) or trade professionals. The goods at issue are likely to be selected visually from the shelves of a building merchant or DIY store (or its online equivalent), catalogues, websites or other printed publications. I do not discount aural considerations in the form of, for example, advice received from sales staff, orders made via the telephone or word-of-mouth recommendations.

55. The cost of the goods are likely to vary from cements for laying flooring (which will be fairly low cost) to adhesives used in industry (which may be more expensive). Similarly, the frequency of the purchase is likely to vary between the different average consumers, from limited purchases made by members of the general public, to more frequent purchases made by professionals. In all cases, I consider that various factors will be taken into consideration such as the strength of the product, its durability and suitability. Consequently, I consider that a medium degree of attention will be paid

during the purchasing process. However, I recognise that some of the goods that I have found to be similar (such as chemical preparations) will have a high level of attention paid due to additional considerations such as the need to ensure that the necessary safety requirements are complied with to reduce the risk of chemical reactivity hazards that can present serious danger to workers if not thoroughly understood and controlled, for example.

Comparison of marks

56. The respective trade marks are shown below:

<p>MASTERLAY masterlay (series of two marks)</p>	<p>MASTERAIR</p>
<p>The proprietor's registration</p>	<p>The applicant's mark</p>

57. It is clear from *Sabel BV v Puma AG* (particularly paragraph 23) that the average consumer normally perceives a trade mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of trade marks must be assessed by reference to all the overall impressions created by the trade marks, bearing in mind their distinctive and dominant components. The CJEU stated, at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

“... it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.”

58. It would be wrong, therefore, to artificially dissect the trade marks, although, it is necessary to take into account the distinctive and dominant components of the

marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks.

59. The applicant submits that the dominant and distinctive elements of the marks is the “MASTER” element, whereas the proprietor submits that the “MASTER” element is of lesser importance when considering the marks as wholes. The proprietor’s registration consists of a series of two word-only marks of the word “MASTERLAY”. Although the conjoined word “MASTERLAY” is not dictionary defined, I do not consider that the average consumer will perceive the proprietor’s registration as invented words, but as marks made up of the two words “MASTER” and “LAY”. The first mark of the series presents the word in upper case and the second presents the word in lower case. As no part of the trade mark is highlighted or emphasised in any way, the overall impression it conveys and its distinctiveness lies in the trade mark as a whole. There are no other elements that contribute to the overall impression of the marks.

60. The applicant’s mark is a word-only mark of the word “MASTERAIR”. Although the conjoined word “MASTERAIR” is not dictionary defined, I do not consider that the average consumer will see it as an invented word, but as two words “MASTER” and “AIR”. The mark is presented in upper case. There are no other elements that contribute to the overall impression of the mark, which lies in the word itself.

61. Visually, the marks coincide in the first six letters “MASTER”. They differ in the endings of the marks, namely “LAY”, in the proprietor’s registration, and AIR, in the applicant’s mark. Therefore, I find the marks to be similar to a medium to high degree.

62. Aurally, the pronunciation of the marks coincide in the articulation of “MASTER”, present identically in both marks, and to that extent they are aurally similar. The pronunciation of the mark differs in the endings of the marks, namely in the pronunciation of “LAY” and “AIR”. Therefore, I find the marks to be similar to a medium to high degree.

63. The proprietor submits that the marks are conceptually dissimilar, as the “MASTER” element of the marks is descriptive and/or laudatory and the “AIR/LAY”

elements are dominant and conceptually different.¹⁷ On the other hand, the applicant submits that the marks are conceptually neutral because they consist of invented words. As discussed above, both parties' marks will be perceived as a combination of two ordinary dictionary words. The proprietor submits that the word "MASTER" has a range of meanings. While I accept that the word "MASTER" might be attributed any number of meanings, the most likely seems to me to be a reference to a person with an exceptional skill at something. This will, therefore, be a point of conceptual overlap. Other than this, the overall concept of each of the marks is not obvious to identify. Taking all this into account, I consider the marks to be conceptually similar to no more than a medium degree.

Distinctiveness of the earlier mark

64. 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-2779, 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

¹⁷ Paragraph 27 of the Proprietor's Submissions

statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51).”

65. Registered trade marks possess varying degrees of inherent distinctive character, ranging from the very low, because they are suggestive or allusive of a characteristic of the goods, to those with a high inherent distinctive character, such as invented words which have no allusive qualities.

66. The applicant has not pleaded that the mark has acquired enhanced distinctive character through use. I have considered the evidence in support of a finding of enhanced distinctiveness and do not consider that the evidence is sufficient to demonstrate such a finding in regard to the applicant’s mark in the UK. Enhanced distinctiveness must be established in relation to the UK market because the test for confusion will be assessed by reference to the average consumer who is a member of the UK general public. No evidence has been provided to suggest that the UK customers would be aware of the applicant’s mark or to indicate that a proportion of the relevant class would identify the goods as originating from the applicant’s undertaking because of its mark. There is no evidence of marketing or advertising expenditure to support such a finding. I have therefore, only the inherent position to consider.

67. The proprietor accepts in its submissions that as the applicant’s mark is registered it enjoys a “minimum degree of distinctive character due to the presumption of validity” and it does not accept any level of distinctiveness beyond that.¹⁸ The proprietor goes on to submit that:

“48. To the extent that the Earlier Mark does have any distinctiveness beyond the minimum required for registration, the Proprietor submits that this is due to the inclusion of the AIR element in the trade mark, which is dissimilar to any element on the Registration and as a result such distinctive character does not act to increase the likelihood of confusion in the present Action.”¹⁹

¹⁸ Proprietor’s submissions paragraph 47

¹⁹ Proprietor’s submissions paragraph 48

Whereas, the applicant submits that its mark has an above medium degree of inherent distinctive character.

68. The mark “MASTERAIR” is made up of two recognisable dictionary words, being “MASTER” and “AIR”. When the words are put together, they make a new conjoined word which, when considered in totality, is neither descriptive nor allusive of the goods for which its mark is registered. While this may be the case, MASTER is not particularly remarkable from a trademark perspective. It is, as a consequence, inherently distinctive to a medium degree.

Likelihood of confusion

69. Confusion can be direct or indirect. Direct confusion involves the average consumer mistaking one mark for the other, while indirect confusion is where the average consumer realises the marks are not the same but puts the similarity that exists between the marks and the goods and services down to the responsible undertakings being the same or related. There is no scientific formula to apply in determining whether there is a likelihood of confusion; rather, it is a global assessment where a number of factors need to be borne in mind. The first is the interdependency principle i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective goods and services and vice versa. As I mentioned above, it is necessary for me to keep in mind the distinctive character of the earlier marks, the average consumer for the goods and services and the nature of the purchasing process. In doing so, I must be alive to the fact that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them that he has retained in his mind.

70. I have found the marks to be aurally and visually similar from a medium to high degree and conceptually similar to a medium degree. I have identified the average consumer to be members of the general public and professionals who will select the goods primarily via visual means (although I do not discount an aural component). I have concluded that a medium to high degree of attention will be paid during the purchasing process. I have found the applicant’s mark enjoys a medium to degree of

inherent distinctive character. I have found the goods to vary in similarity from identical to similar to a low degree.

71. Notwithstanding the principle of imperfect recollection, and taking all the above factors into account, I consider that the differences between the marks (particularly the endings of each mark) will be sufficient to enable the average consumer to differentiate between them. I do not consider that the marks will be directly confused.

72. It now falls to me to consider whether there is a likelihood of indirect confusion. Indirect confusion involves recognition by the average consumer of the difference between the marks. In the present case, I am of the view that the average consumer, having recognised the differences in the marks, will believe that the proprietor's registration is another brand of the owner of the opponent's mark, or vice versa.²⁰ Mr Purvis QC in the *L.A Sugar Limited* case sets out that there are three main categories of indirect confusion – he stated that indirect confusion 'tends' to fall in one of them. In my view, even if one recalls the difference in the endings of the marks, I consider that the presence of the identical "MASTER" element in "MASTERLAY" and "MASTERAIR" may indicate a house style that is used by the same company across their sub-brands, and is indicative of a logical re-branding. For example, when noticed, I consider that the average consumer would find that "MASTER" followed by a conjoined second word was a logical sub-brand or brand extension. This, alongside the identity/similarity of the goods will lead the average consumer to think that the marks come from the same or related undertaking. Consequently, my conclusion is that there is a likelihood of indirect confusion in relation to all of the goods I found to be identical or similar to a medium degree and above. I also find that this will be the case in circumstances where the average consumer has a heightened level of attention. However, for those goods that I have found to be similar to a low degree, I do not consider that the similarity between the marks is sufficient to offset the low similarity between the goods.

Conclusion

²⁰ Paragraphs 16 & 17 of *L.A Sugar Limited v By Black Beat Inc*, Case BL-O/375/10

73. The application for invalidation succeeds in relation to the following goods for which the application is deemed never to have been made:

Class 1: *Chemical preparations for industrial use in particular for floor levelling products; chemical products to be added to concrete and cement products; chemical products and preparations for use in self-levelling concrete and cement; chemical products and preparations for use in floor levelling compounds; additives for cement and concrete; cements for laying flooring; cements for laying tiles; adhesives for floor tiles; adhesives for floors and floorings not of metal; adhesives for use in industry; adhesives for building purposes; preservatives for tiles, except paints and oils; parts and fittings for the aforesaid goods.*

74. The application for invalidation fails in relation to the following goods for which it shall remain registered:

Class 19: *Building and construction materials; asphalt; concrete, mortar; cement; self-levelling concrete; self-levelling cement; floor levelling compounds; adhesive mortar for use in buildings; floors, floorings and floor tiles not of metal; non-metallic floor boards; flooring underlay; parts and fittings for the aforesaid goods.*

Costs

75. While both parties have been partially successful, I consider that the applicant has enjoyed the greater degree of success. As a result, it is entitled to a contribution towards its costs based upon the scale published in Tribunal Practice Notice 2/2016. However, as the application failed against some goods against which it was aimed, I consider it appropriate to reduce the award of costs relative to the degree of success. In the circumstances, I award the opponent the sum of £800 as a contribution towards its costs. The sum is calculated as follows:

Official fee	£200
Preparing the Application and considering the counterstatement	£200

Preparing the evidence	£400
Total	£800

76. I therefore order Tarmac Cement and Lime Limited to pay Construction Research & Technology GmbH the sum of £800. This sum should be paid within 21 days of the expiry of the appeal period or, if there is an appeal, within 21 days of the conclusion of the appeal proceedings.

Dated this 15th day of December 2021

A Klass

**For the registrar,
the Comptroller-General**