

O-375-03

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO 12471  
FOR A DECLARATION OF INVALIDITY IN RESPECT  
OF TRADE MARK NO 2182591 IN THE NAME OF  
AMITY UK LIMITED**

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### **IN THE MATTER OF Application No 12471 For a Declaration of Invalidity in respect of Trade Mark Number 2182591 in the name of Amity UK Limited**

#### **BACKGROUND**

1. Trade Mark Number 2182591 is for the mark GENKLENE and is registered in Class 1 for “Chemicals for use in vapour and ultrasonic cleaning, precision cleaning, adhesive formulations and aerosol applicants”.

2. The mark stands registered from a filing date of 20 November 1998.

3. On 20 April 2001 Ineos Chlor Limited applied for invalidation of the trade mark and provided the following background comments in their Statement of Grounds, in essence

(i) The applicant is the successor in title of rights in the name GENKLENE to ICI Chemicals & Polymers Limited (ICI) from whom the applicant acquired the Chlor – Chemicals business of ICI in January 2001.

(ii) GENKLENE was the name given to a widely recognised solvent manufactured by ICI between 1960 and 1995.

(iii) The name was applied to a product based on the chemical 111-trichloroethane.

(iv) Initially the product was used primarily for cold cleaning because of its low toxicity compared to other non-flamable solvents and by the 1980s it had become the most widely used metal degreasing solvent in the UK.

(v) The products fell foul of the Montreal Protocol to control the production and importation of ozone-depleting substances and the controls were created in the European Union through Council Regulation 3093/94/EC which prohibited production and importation of 111-trichloroethane from 31 December 1995. The UK continued to allow the use and sale of stockpiled 111-trichloroethane products, including GENKLENE, which could be legally traded until 1 October 2000.

(vi) The GENKLENE name is explicitly associated with products regulated against, as exemplified by a draft document by the UK Department of Trade & Industry.

(vii) The registered proprietor is aware of the position regarding 111-trichloroethane and has made the issue a “useful selling point” for products that it is marketing as alternatives.

(viii) The registered proprietor uses the mark GENKLENE for a solvent that is intended as a “drop in” replacement of the former, regulated out ICI product. The product is marketed as NEW GENKLENE with statements such as “all the performance benefits with a new environment friendly formulation” and “New GENKLENE is not a chlorinated solvent”. The chemical formula of “New GENKLENE” is entirely different.

(ix) The registered proprietor is using and has registered the mark GENKLENE in relation to a direct replacement of a regulated out product, sold into exactly the same industry, which is bound to result in confusion which could be dangerous because of the differences in the “old” and “new” products.

4. The applicant has set out the following grounds of opposition:

(i) Under Section 47(1) of the Act because by virtue of Section 3(3)(b) the mark is of such a nature as to deceive the public as to the nature of the goods;

(ii) Under Section 47(1) of the Act as by virtue of Section 3(3)(a) registration of the mark is contrary to public policy;

(iii) Under Section 47(1) of the Act because the registered proprietor filed the application in bad faith, knowing that the mark was not its own and was the name of a regulated out product, contrary to Section 3(6) of the Act;

(iv) Under Section 47(2)(b) of the Act because there is an earlier right in relation to which the condition set out in Section 5(4) is satisfied, in particular Section 5(4)(a) in that the mark in suit is liable to be prevented by the law of passing off.

5. The registered proprietor filed a Counterstatement denying all the grounds of invalidity adding that while ICI were previously the owners of the GENKLENE trade mark their trade mark registrations (Nos 799710 and 798870) lapsed in 1994 and 1988 respectively and insofar as any common law rights are concerned, it is noted that the manufacture of the GENKLENE brand of 111-trichloroethane ceased in 1995 and therefore no residual goodwill exists. The allegation of bad faith is specifically denied.

6. Both sides filed evidence and asked for an award of costs in their favour. The matter came to be heard on 28 October 2003 when the applicant for invalidity was represented by Mr Caddy of Wynne-Jones, Laine & James and the registered proprietor was represented by Mr Pritchard of Counsel instructed by Waterlow Legal & Company Services.

## Applicant's Evidence

7. The applicant's evidence consists of six witness statements, two statements by Victor Caddy and one witness statement apiece from Janet Woods, Kenneth Smart, David Roberts and Trevor Mann.

8. Mr Caddy's first statement is dated 7 December 2001. He states that he is a trade mark attorney with the firm Marks & Clerk, (the applicant's professional advisors in the proceedings at that time).

9. Mr Caddy states that on 9 October 2001 he conducted an internet search for the name GENKLENE and a copy of the results are attached to his statement. He draws attention to a number of references which, he states, go to reputation in the UK of the trade name GENKLENE, which are exhibited as "VIC-2" to his statement. These comprise:

(i) A reference on the web-site of Arven Chemicals Ltd of Runcorn to "Genklene replacement" and "GENKLENE we manufacture the safe replacement for Genklene. Ozone friendly, and safe .... Call us for details!"

(ii) A reference on the web-site of Sonatest Plc which also refers to two other trade marks formerly owned by ICI.

(iii) A reference on the web-site of Sonatest Plc which also simultaneously refers to two other INEOS trade marks that, like GENKLENE, were formerly owned by the Chlor-Chemicals division of ICI Chemicals & Polymers Limited, namely, PERKLONE (miss-spelt PERCLONE) and TRIKLONE.

(iv) A reference on the web-side [www.roversnorth.com](http://www.roversnorth.com) dated 27 October 2000, which states "This stuff is also known as 'Genklene' which is manufactured by ICI and is as far as the guy knows, a dry cleaning solvent".

(v) A reference on the web-site of [www.saaweb.demon.co.uk](http://www.saaweb.demon.co.uk) in an article entitled Bearing up under the strain by Malcolm Harris, which states that "one of the ozone depleting types such as 1,1,1,- trichloroethylene (Genklene). Whichever solvent you choose, the appropriate safety precautions with respect to skin contact, inhalation of fumes, flammability and disposal should be observed rigorously".

(vi) A reference on the web-site of Envirowise (a government programme managed by AEA Technology plc), with a Crown copyright notice dated 2000, which states:

"Some .... Components of regularly used materials include: ....  
"Degreasants/cleaners (under brand names such as .... Genklene ....)  
contained 1,1,1-trichloroethane (methyl chloroform), an ozone  
depleting chemical now banned under the Montreal protocol".

(vii) A reference on the web-site of Bellingham & Stanley Ltd who also refers to another mark formerly owned by ICI.

(viii) A reference on the web-site of AEA Technology Plc, with a copyright notice dated 2001, which refers to GENKLENE as an alternative name for 111-Trichloroethane.

(ix) A reference on the web-site of Chemical Recovery Limited of Bristol, which refers to three other trade marks formerly owned by ICI Polymers Limited, namely, TRIKLONE, ARKLONE and PERKLONE (referred to as PERC).

(x) A reference on the web-site of the University of Kent, with a copyright notice dated 2001, which states:

“It is not feasible to list all the hazardous chemicals which may be encountered in the Physics of Chemistry Laboratory, but some of those most likely to be met, together with the **main** hazards which they pose are listed below.”

“Trichloroethane (= “Genklene”) .... Narcotic”.

(xi) A reference on the web-site of Protonique Limited of Leighton Buzzard, with a copyright notice dated 1998, which refers to Genklene as a trade name for the generic name “1,1,1-trichloroethane (methyl chloroform, TCA, 1,1,1)”.

(xii) A reference on the website of Clews Recycling Limited which refers to the use of the smell of GENKLENE as a diagnostic tool in the identification of possible contaminants.

(xiii) A reference on the web-site [www.ourworld.compuserve.com](http://www.ourworld.compuserve.com) to the maintenance of classic Mercedes-Benz engines, which refers to the use of hot Genklene in an ultrasonic vat to clean an engine’s oil filter.

(xiv) A reference on the web-site of Antel Eclipse (UK) Limited to a non-flammable contact adhesive being a “Genklene free cream”.

(xv) A reference on the web-site of Hays Chemicals Limited.

(xvi) A reference on the web-site of the Irish News to the discovery of a gallon tin of “Genklene” in Belfast.

(xvii) A reference on Air Quality A to Z Index given on the web-site [www.aeat.co.uk](http://www.aeat.co.uk)

10. Mr Caddy goes on to state that he has also obtained from Mr Michael Dunne of the DTI Environment Directorate a copy of a publication entitled *Phase out of Ozone Depleting Solvents*, which is exhibited as “VIC-6”. This document was published in October 2001 and states:

(i) On page 2, that, with respect to 1,1,1-trichloroethane, the phase out date for production and importation was 31 December 1995, and the complete ban on trade and use was 1 October 2000.

(ii) On page 3, that the name GENKLENE is associated with 1,1,1-trichloroethane.

11. Mr Caddy's second witness statement is dated 8 February 2002 and he states that he has acquired important information in relation to an important exclusion to the prohibition of 111-trichloroethane in that according to the Department for Environment, Food and Rural Affairs (DEFRA) there is a global exemption under the Montreal Protocol for laboratory use of the product and sales for laboratory or analytical use are still permitted today.

12. Janet Woods is Public Relations Executive and Trade Mark Manager of Ineos Chlor Limited. Her first statement is dated 7 December 2001.

13. Ms Woods states that when the two UK trade mark registrations of ICI for the mark GENKLENE came up for renewal in December 1994 they were not renewed as there was no active management of the trade marks of the Chlor Chemical Division of ICI at the time and she suspects that someone with no trade mark knowledge or experience thought that as the product was being regulated out, there was no point in renewing the mark and this, with hindsight was a mistake as the name GENKLENE has continued to function as a trade mark of ICI (now Ineos) and will continue to do so for the foreseeable future. She adds that it also remains a possibility that a new product may be developed that is an acceptable replacement for the GENKLENE product in all its use and if so, the product would be re-introduced under the name GENKLENE.

14. Kenneth Smart is Product Manager of E & E Ltd which carries on business as a seller and distributor of chemicals.

15. Mr Smart states that, to him, GENKLENE means 111-trichloroethane, being the brand name of that manufactured by 111-trichloroethane ICI prior to 31 December 1995 with stocks sold after that date. He adds that if the name GENKLENE was to be used for a different product this could cause confusion as people continued to ask for GENKLENE when they wanted 111-trichloroethane.

16. David Roberts is the Managing Director of The Basic Chemicals Company (UK) Limited which carries out that business of supply and distribution of general chemicals to all industries. His statement is dated 8 February 2002.

17. Mr Roberts states that he currently sells GENKLENE solvent and knows this to be a brand name of ICI for chemical solvent 111 Trichloroethane. He adds that he has sold the GENKLENE product for twenty years and it is known and recognised by customers as a brand name for the chemical 111 Trichloroethane. In Mr Robert's view if anyone were to link the brand name to the sales of any other chemical being offered as a substitute or otherwise, it would lead to a great deal of confusion within industrial markets.

18. Trevor Mann is Technical Sales Manager of Ineos Chlor Limited (Ineos), the successor in title to the Chlor-Chemicals Division of ICI. His statement is dated 5 February 2002.

19. Mr Mann states that within the chemical industry it is customary for users to refer to chemicals by their trade names as eg it is easier to say "GENKLENE" than to say "1,1,1-trichloroethane". However, unlike in other industries, where such a practice could lead to names becoming generic, in the chemical industry, where particular chemicals have particular properties and these properties are of paramount importance in terms of function, health and safety, such "nicknames" retain their essential trade mark characters and functions because the users are, through necessity, knowledgeable about the properties of chemicals and their producers, and the same or similar chemicals can be known by different trade names, or nicknames, depending upon the products. Thus, terms like GENKLENE can be both indicators of chemical nature, and indicators of commercial origin, simultaneously.

20. Turning to this history of the GENKLENE trade mark, Mr Mann states that one of the major products of the Chlor-Chemicals business of ICI over the years has been sold under the name GENKLENE, an immensely successful and well-known solvent manufactured commercially by ICI between 1960 and 1995. He adds that brief details of the history of the product have been set out in Ineos' Statement of Grounds in these proceedings which Mr Mann confirms to be correct.

21. Mr Mann has collected together documentation to confirm the above information and Exhibit "TM-1" to his statement comprises the following:

- (1) An internal history of GENKLENE (Tabulated as Document 1).
- (2) An excerpt from ICI's Product Dossier, dating from 1995 and concerning GENKLENE, which gives information about the history of GENKLENE manufacture and lists the grades of the product that were available. (Document 2).
- (3) Customer publicity material from 1991 entitled "IMPORTANT INFORMATION! FACTS ABOUT ICI SOLVENTS". (Document 3).
- (4) Excerpts from a 1972 edition of the GENKLENE SALES INSTRUCTION BULLETIN, which gives further information of market activity and the prominence of GENKLENE as market leader. (Document 4).
- (5) A copy of the GENKLENE APPLICATIONS HANDBOOK, dated 1990, which gives a summary of the applications of GENKLENE and of trade articles on the product's uses. (Document 5).
- (6) An excerpt from a 1991 publication of the Department of the Environment entitled "Environmental hazard assessment: 1,1,1-Trichloroethane", which gives a summary of the wider production history of 1,1,1-trichloroethane, and in which it is stated that the Department of Trade and Industry "indicated that the majority of 1,1,1-T supplied for use in the UK originated from the ICI Chemicals complex at Runcorn". Most of this 1,1,1-

trichloroethane would have been sold under the name GENKLENE.  
(Document 6).

(7) Three editions of an ICI publication entitled “Working safely with GENKLENE 1,1,1-Trichloroethane in cold cleaning”, dated 1983, 1985 and 1986. (Documents 7, 8 & 9).

(8) Eight copies of ICI brochures about cleaning systems, dating between 1987 and 1991, which illustrate the prominent position of GENKLENE solvent for use in cleaning systems. (Documents 10, 11, 12, 13, 14, 15, 16 & 17).

(9) A copy of an article from a publication called SOLVENTS DIGEST, (published by the European Chlorinated Solvents Association), dated 1993, which discusses the trade names of chlorinated solvents in Section IV on page 2 and refers to GENKLENE in the table shown on page 3.

(10) A copy of an ICI document entitled GENKLENE USER FACT FILE, dated 1992, claimed as an example of Product Stewardship by ICI.  
(Document 19).

(11) An extract from a document entitled SOLVE-CARE SOLVENT RECOVERY & DISPOSAL SERVICE FOR USED ‘TRIKLONE’ & ‘GENKLENE’, published jointly by ICI and Midland Refineries in 1991, again relating to Stewardship by ICI. (Document 20).

(12) A copy of an ICI publication entitled “The solvent for safer formulations GENKLENE”, dated 1985, which gives further evidence of market activity concerning GENKLENE and its applications. (Document 21).

(13) A copy of GENKLENE promotional literature from 1978. (Document 22).

(14) A copy of an ICI publication entitled “For finer development of dry film photo resists GENKLENE”, dated 1984, which gives further evidence of market activity concerning GENKLENE and its applications. (Document 23).

(15) Copies of two editions of an ICI publication entitled “Cleaning with chlorinated solvents”, dated 1972 and 1983. These illustrate the importance of GENKLENE in ICI’s product range and give further evidence of market activity concerning GENKLENE and its applications. (Documents 24 & 25).

(16) A copy of a GENKLENE brochure, dated 1991, which gives further evidence of market activity concerning GENKLENE and its applications.  
(Document 26).

(17) A copy of an ICI publication entitled “the safe use of ‘Genklene’”, dated 1977, which gives information about product stewardship and market activity concerning GENKLENE and its applications. (Document 27).



- (18) Copies of three guides on the recovery of GENKLENE (dated 1978, 1979 and 1985) claimed to be significant because they demonstrate that there was sufficient GENKLENE 1,1,1-trichloroethane in circulation and use to justify a bespoke recovery service. (Documents 28, 29 & 30).
- (19) Copies of four ICI advice stickers intended to be stuck onto cleaning equipment (dated 1978, 1980 and 1982) which it is claimed show market activity and product stewardship. (Documents 31, 32, 33 & 34).
- (20) Copies of six GENKLENE Technical Service Notes, dating from 1989. (Documents 35, 36, 37, 38, 39 & 40).
- (21) A copy of an ICI document entitled "SAFETY PRECAUTIONS & FIRST AID INSTRUCTIONS", dated 1993. Although primarily intended for TRIKONE, METHOKLONE and PERKLONE, this document states that the safety precautions are also applicable to ARKLONE, GENKLENE and PROPAKLONE. (Document 41).
- (22) Copies of two versions of cleaning plant advertising flyers produced by ICI, dated 1990, which refer to GENKLENE. (Document 42 & 43).
- (23) A copy of an ICI publication entitled "ICI 'CHLORINATED SOLVENTS' YOUR GUARANTEE OF QUALITY", dated 1989 to give further evidence of market activity concerning GENKLENE and its applications. (Document 44).
- (24) A copy of an ICI publication entitled "COMPLETE SOLVENT CLEANING EXPERTISE FROM THE LEADERS IN THE FIELD", dated 1989 which it is claimed gives further evidence of prominence and importance of GENKLENE in the overall product range. (Document 45).
- (25) A copy of an ICI cleaning plant brochure entitled "THE GS RANGE", dated 1988 to illustrate the importance of GENKLENE 1,1,1-trichloroethane as the leading metal cleaning solvent. (Document 46).
- (26) Copies of six editions of ICI cleaning plant brochures, dated between 1983 and 1989, to give further evidence of market activity concerning GENKLENE and its applications. (Documents 47, 48, 49, 50, 51 & 52).
- (27) A copy of an ICI booklet entitled "NON-FLAMMABLE SOLVENTS IN INDUSTRY", dated 1965 to give an insight into the early days of marketing GENKLENE 1,1,1-trichloroethane. (Document 53).
- (28) Copies of Chemical Safety Data Sheets for GENKLENE for the years 1993, 1994, 1995 and 1996, to give further evidence of product stewardship and maintenance. (Documents 54, 55, 56 & 57).

22. Mr Mann goes on to explain that in view of the regulating out of the product sold under the name GENKLENE, ICI did not manufacture GENKLENE products after 1995 but he adds that use and sales of the product in the UK *continued until 1*

October 2000 (when revised Council Regulation 3093/94/EC was enacted). This was because, in view of the popularity and notoriety of the product, many of ICI's customers had stock-piled the product before the enactment of the original Council Regulation 3093/94/EC and supplied and used it legally up until 1 October 2000. These customers included distributors, formulators and end-users.

23. Mr Mann states that the reputation of the GENKLENE name lived on as a result of direct ICI activity because even though ICI was banned from producing GENKLENE, it still had to meet the needs of its customers, many of whom had used GENKLENE for many, many years. ICI produced conversion advice literature to customers, recommending the use of some of its other products as replacements for GENKLENE, such as TRIKLONE, METHOKLONE and PERKLONE, for specific applications in particular circumstances. Ineos has continued this practice and Mr Mann explained that they would not perceive a need to do so if members of the relevant public no longer recognised the name GENKLENE. He adds that his company continues to receive enquiries from companies wanting to "source" GENKLENE or find a substitute for it. Mr Mann states that as sales of the product were continuing through distributors and the like, ICI voluntarily continued to produce Chemical Safety Data Sheets for customers to ensure product stewardship continued as this was in ICI interests. Exhibit TM2 comprises copies of the 1997 and 1999 Safety Data Sheets.

24. Mr Mann goes on to claim that the reputation of the name is also recognised by independent bodies, amongst them the Department of Trade & Industry and Exhibit "TM-3" comprises a copy of a DTI document entitled "Phase Out of Ozone Depleting Solvents", which was published in October 2001 and specifically mentions the name GENKLENE in relation to 1,1,1-trichloroethane (on page 3), and confirms the phase out dates. He submits that the publication of this document as recently as the Autumn of 2001, demonstrates the perceived on-going need amongst consumers for advice on the issues concerned, and that the inclusion of the name GENKLENE in the document is *prima facie* evidence that the DTI currently recognises that the name GENKLENE is still associated with 1,1,1-trichloroethane, and will be so associated for some time to come. He adds that "as far as the future is concerned, we retain the hope that a low toxicity, high performance product which is genuinely capable of replacing 1,1,1-trichloroethane in all of its uses will be developed".

25. Next, Mr Mann turns to the actions of Amity UK Limited (Amity), the registered proprietor. He states that Amity have for some years manufactured and sold a solvent under the trade name LEKSOL, the major component of which is n-propyl bromide. A copy of Amity's Manufacturers Safety Data Sheet for LEKSOL is at "TM-4" to Mr Mann's statement. Amity advertise LEKSOL as being "a direct replacement for 1,1,1-Trichloroethane" and copies of three of Amity's Product Information Sheets for LEKSOL are at Exhibit "TM-5", along with a copy of an email that Mr Mann received in 1998 from British Airways concerning comparative characteristics of 1,1,1-trichloroethane and n-propyl bromide which was precipitated by the promotion by Amity of n-propyl bromide as a replacement for 1,1,1-trichloroethane – Exhibit "TM-6" to Mr Mann's statement.

26. Mr Mann goes on to state that Amity have started to simultaneously market the LEKSOL product under the alternative name GENKLENE and copies of two versions

of Amity's Manufacturers Safety Data Sheet for GENKLENE are now at "TM-7" to Mr Mann's statement. One of these refers to the name of the product as "New GENKLENE" and the other as "GENKLENE". He states that apart from the name of the product, these are identical to the Manufacturer's Safety Data Sheet for LEKSOL and the implication is that this new GENKLENE is also a direct replacement for 1,1,1-Trichloroethane. Mr Mann explains that the matter first came to light in November 2000, when one of his customers wrote and brought to attention the fact that Amity had announced the launch of "New Genklene" in the trade press. Two copies of the Amity advertisement in question are produced as Exhibit "TN-8". He adds that Amity have sought to associate its GENKLENE product with the ICI/INEOS name by using terms like "New", "All the performance benefits with a new environmentally friendly formulation".

27. Mr Mann believes that the reason that Amity has adopted the trade mark GENKLENE for its n-propyl bromide product (as well as continuing to use the LEKSOL name) is that it wants to benefit from association with the trade name of a prestigious product in the relevant industry – GENKLENE. He adds that some of the attraction to Amity is the implied association with ICI (a company with which it has no other association) but he believes it goes further than this as GENKLENE has become synonymous with a hugely successful particular type of product and he believes Amity opportunistically perceive a commercial advantage in being associated with that, and so have taken the name for the name's sake, as well as for its association with ICI. However, because the name is associated with a particular type of chemical product, Mr Mann believes its use in relation to a different type of chemical product is bound to be misleading as to nature, as well as to origin.

28. Mr Mann states that he keeps records of any enquiries his company receives concerning GENKLENE that require some kind of written or documented response. Exhibit "TN-12" to Mr Mann's statement comprises a graph of recorded enquiries.

### **Registered Proprietor's Evidence**

29. This consists of three witness statements, one each by Derek Robert Thomas, Arthur Connell and Ram Singh dated 4 February 2003, 29 January 2003 and 28 March 2003 respectively.

30. Mr Thomas is the Managing Director of D&S Technical Services (D&S), prior to which he worked for Imperial Chemical Industries (ICI) in its Cleaning Technology Business, which was responsible for sales and technical support of chlorinated hydrocarbon solvents and vapour degreasing equipment. He adds that the business of D&S continues in the same vein.

31. Mr Thomas explains that when a particular chemical is sold under a trade mark, sales of the chemical frequently continue for a number of years and that during that time, it is not uncommon for the chemical composition of the product to change. In Mr Thomas' experience, such a change is common throughout the chemical industry and no objection is raised to any such change, assuming that the producer company in question makes clear to its customers the health and safety implications of any such change. An example is the product TIPP-EX, which during its lifetime has frequently changed its composition and that of its solvent. Mr Thomas adds that during his

employment by ICI, he knew for a fact that there were changes in the above product and in the chemical formulations of some of their other products. Mr Thomas says that some of these changes involved significant alterations in the formulation of the product concerned and that the practice is not peculiar to ICI as many companies change the formulation of products as it seems expedient to do so, without changing the product name. In Mr Thomas' opinion provided that their customers are kept fully informed both of the changes themselves and of any health and safety consequences of any such changes, and provided that the company does not feel that the change makes the product more hazardous there is no problem.

32. Mr Thomas explains that neither he nor his company have any connection with Amity (UK) Limited ("Amity"). In their function of providing technical support to the users of solvents, including the provision of health and safety advice, his company has had ongoing dialogue and contact with Amity for several years, in particular as far as n-propyl bromide is concerned and the LEKSOL, GENKLENE and AG101 products and all three of these n-propyl bromide products are used by customers of Amity in commercial and manufacturing operations in the UK. Having reviewed the various Chemical Safety Data Sheets provided by Amity, Mr Thomas states that it would appear that Amity have at all times kept their customers fully informed of the composition of their n-propyl bromide products and in particular of their GENKLENE product and of the precautions which are necessary from a health and safety point of view when using this product. He adds that the Health and Safety at Work Act 1974 requires that all companies have adequate procedure to cover health and safety which includes ensuring that employees are kept fully informed concerning the precautions, which need to be taken when using hazardous substances in the workplace. In particular, the Control of Substances Hazardous to Health (COSHH) Regulations place detailed duties on employers and employees who encounter hazardous substances in the workplace. Mr Thomas states that from his own knowledge he is aware of the presence of LEKSOL/GENKLENE/AG101 (n-propyl bromide) products of Amity in the UK marketplace, and is not aware of any health and safety problems, which have arisen in connection with these products. Current knowledge of the toxicology of n-propyl bromide suggests that the product is less hazardous than trichloroethylene. In November 1998, trichloroethylene was classified as a Category III carcinogen, which required it to carry the R40 Risk Phrase ("Possible Risk of Irreversible Effects"). During 2001, it was reclassified as a Category II Carcinogen, which now requires it to carry the R45 Risk Phrase ("May Cause Cancer"). In contrast, n-propyl bromide is not currently classified as a carcinogen at all, and is required to carry only an R20 Risk Phrase ("Harmful by Inhalation"). That was the position on n-propyl bromide in November 1998, and is still the position today, although it is under review.

33. In Mr Thomas's opinion, based on his knowledge of the literature and advice provided, Amity have acted responsibly as far as the launch and continued sale of their GENKLENE product is concerned. They have kept their customers fully informed of the composition of the product, and the precautions that need to be taken when using it. As Amity are always careful to give full information concerning its product, and the precaution that need to be taken when using it, he feels the company is fulfilling its duties under current health and safety law. Mr Thomas has been shown the care instructions that Amity has provided with their new GENKLENE product, and all the technical literature that accompanies it. He has also been shown

copies of the publicity material and advertisements that Amity uses in connection with this product. Mr Thomas goes on to refer to Exhibit “DRT-1” to his statement comprising copies of Amity’s instructions and information as used with their GENKLENE Product. In Mr Thomas’ opinion, they are handling the launch of their product in a responsible way. While the product that they are now selling under the mark GENKLENE is n-propyl bromide, which, like the majority of chemicals in use in industry has its own inherent hazards, insofar as Mr Thomas can see Amity are making every effort to inform users of the product about these hazards, and this information would allow users to make reasoned judgements about the risks associated with its use in their individual workplaces.

34. Next, Mr Thomas comments that it is by no means unknown for the entire commercial operation of producing and selling a particular product, including its manufacturing facilities and its trade mark, to be sold from one chemical company to another. In such an instance, the buyer company is perfectly at liberty to continue manufacturing and selling the product under the same name. Alternatively, they could use a different name, if they preferred to do so. If they continue with the same name, there is no reason why they should not change the formulation of the product as explained above.

35. Finally, Mr Thomas states that he has been asked whether there would be any danger inherent in the trade mark GENKLENE, which used to denote the 1,1,1-trichloroethane product of ICI, being used instead on, and in relation to, the n-propyl bromide product of Amity. He says that the Material Safety Data Sheet produced by Amity for their GENKLENE product clearly outlines the health and safety requirements relating to the product and adds that users of the product have a responsibility under the COSHH Regulations to ensure they have fully assessed the risks associated with its use, and have provided sufficient hazard information to anyone who may come into contact with the product. In Mr Thomas’ opinion, the literature and technical support provided by Amity is sufficiently comprehensive to allow users to carry out such risk assessments. Hence, based on his present day knowledge, he does not believe that the change in the product formulation should cause any particular problems in practice from a health and safety point of view.

36. Mr Connell is the Chief Buyer of Arven Chemicals Limited whose business is to buy and sell chemicals.

37. Mr Connell states that he is aware that ICI used to manufacture a 1,1,1-trichloroethane product and that when 1,1,1-trichloroethane was available he regularly bought this substance for Arven from various suppliers. He did not however ever buy a 1,1,1-trichloroethane product under the name GENKLENE and the chemical was always referred to in Arven by its name 1,1,1-trichloroethane or by a shortened version of that name. Mr Connell adds that everyone in the industry knew that ICI had been forced to stop manufacturing 1,1,1-trichloroethane and had shut down their manufacturing plant in the mid 1990s and ever since then he and indeed a great many other people and companies have been looking for a substitute for 1,1,1-trichloroethane at a suitable price but have failed to find one.

38. Mr Connell explains that depending on the end use, there are several substances which Arven can buy in, or can mix up themselves, which will be suitable for various

cleaning applications. He can buy products for £1.80 or even 40 pence per litre which are adequate for some end uses. However, when a high quality cleaner with low or no flash point is required Mr Connell buys Amity's new GENKLENE n-propyl bromide product, although it costs £6 per litre. He is aware that GENKLENE used to be a trade mark of ICI but understands this lapsed at around the time that they shut the plant in question. He now associates the name GENKLENE with Amity because he has bought and used the product.

39. Mr Connell is aware that Amity's GENKLENE product consists mainly of n-propyl bromide together with other substances such as stabilisers. He does not find the name confusing. Mr Connell knows that ICI ceased trading in its product in the mid 1990s and that n-propyl bromide is totally different from 1,1,1-trichloroethane.

40. Mr Singh is the Technical Director of Amity. His statement is dated 28 March 2003.

41. Mr Singh states that although this is a dispute about the mark GENKLENE, the position in respect of the three main chemicals (1,1,1-trichloroethane, trichloroethylene and n-propyl bromide) and any inter-relationship needs to be understood. He explains that in spite of the superficial similarity in their names 1,1,1-trichloroethane and 1,1,2-trichloroethylene are in fact totally different chemicals. The chemical formulas are different, and their appearances and other characteristics are different in the following ways. 1,1,1-trichloroethane is a colourless liquid that evaporates quickly at room temperature and has a sweet yet sharp odour while trichloroethylene is a colourless, non-flammable liquid at room temperature with a sweet smell and evaporates easily. Both are capable of performing degreasing operations, but the care instructions for the two would be different (if both were still legal). He adds that 1,1,1-trichloroethane has no known carcinogenic effect, but has a high ozone depletion potential and is still useable legally for degreasing. However, trichloroethylene is a dangerous substance and is now classified as a carcinogen under reference R-45. In November 1998, trichloroethylene was then classified only under reference R-40 as far as its carcinogenic effect was concerned. In Regulation 2(1) of The Control Of Substances Hazardous To Health Regulations 1999 (Statutory Instrument 1999 No 437) a carcinogen is defined as: a) any substance or preparation, which when classified in accordance with the classification provided for by Regulation of The Chemicals (Hazard Information And Packaging For Supply) Regulations 1994 (Statutory Instrument 1994 No 3247) would be in the category of danger, carcinogenic (category 1) or carcinogenic (category 2) whether or not the substance or preparation would be required to be classified under those Regulations; or b) any substance or preparation (i) listed in Schedule 1, or (ii) arising from a process specified in Schedule 1 which is a substance hazardous to health. Under The Chemicals (Hazard Information And Packaging For Supply) Regulations 1994 substances may be classified carcinogenic, mutagenic or toxic to reproduction or combinations thereof. In addition these classifications are further divided according to corresponding risk phrases (eg R-45). R-45 covers carcinogens which may cause cancer. R-40 covers chemicals where there is limited evidence of a carcinogenic effect.

42. Mr Singh states that 1,1,1-trichloroethane was a successful and much-used product by the end of 1995 and this popularity had extended back at least as far as 1961. Trichloroethylene had also been in use since at least as early as the 1930s. He

explains that the ICI Genklene cleaning product was based on 1,1,1-trichloroethane. However, 1,1,1-trichloroethane (and thus ICI's product) was regulated out in the European Union including United Kingdom by the Montreal Protocol on substances that deplete the ozone layer and Council Regulation 3093/94 EC of 15<sup>th</sup> December 1994 on substances that deplete the ozone layer. Subsequent changes to the Montreal Protocol resulted in a new EC Regulation 2037/2000 on ozone depleting substances replacing Council Regulation 3093/94 EC of 15<sup>th</sup> December 1994, applicable from 1<sup>st</sup> October 2000. As a result the manufacture of 1,1,1-trichloroethane became illegal from 31 December 1995 and the sale of 1,1,1-trichloroethane became illegal from 1<sup>st</sup> October 2000. A copy of "Guidance on the New EC Regulation No 2037/2000 on Substance that Deplete the Ozone Layer" produced by DETR and DTI is attached as Exhibit "RS-" to this statement.

43. Mr Singh asserts that once a product has been regulated out in this way, the 'death' of the product and its name normally follows. He gives an example from his own experience, namely an Amity product named BOROTHENE. BOROTHENE which was the brand name for a bromochloromethane (BCM) based product. BCM was regulated out at EU level on account of its ozone depletion potential with the immediate consequence that the product and the name BOROTHENE were dropped. Insofar as he was aware, there has been no instance since about 1978 of a product that has been regulated out whose product name has then been brought back to life by its original owner.

44. Mr Singh states that when ICI were prevented from further manufacture of their 1,1,1-trichloroethane Genklene product, they sought to replace this product in the marketplace with a trichloroethylene based product. Trichloroethylene was known as a substitute for 1,1,1-trichloroethane but adds that trichloroethylene has been reclassified in Europe as a Class 3 carcinogen which has major implications. The effect of this reclassification is that manufacturers are required to replace trichloroethylene products with safer alternatives. This requirement passed into UK law on 30 July 2002.

45. Turning to n-propyl bromide Mr Singh states that it is a halogenated compound, a derivative of bromine and is a colourless, volatile and non-flammable liquid. Its full name is normal-propyl bromide and its synonym is 1-bromopropane. It has been used for many years for numerous applications including pharmaceuticals, plastics additives, agricultural chemicals, flavour and fragrances, dyes and pigments. It is only since the mid 1990s that it has been used in the industrial cleaning market. n-propyl bromide can damage the nervous system and have an adverse effect on fertility. It is a skin irritant. Under the Chemicals (Hazard Information and Packaging for Supply) Regulation 2002, n-propyl bromide is currently classified for health as harmful, and assigned risk-phrase R-20, harmful by inhalation. However, the classification of n-propyl bromide has been under consideration in the advisory forum which considers agreed EU-wide classifications which in due course would be included in amendments to the Chemicals (Hazard Information and Packaging for Supply) Regulations 2002. Using the latest scientific information, the forum has recommended that the appropriate classification for health should be: Toxic for reproduction, category 2; Harmful; and Irritant, with risk-phrases R-60 (may impair fertility), R-63 (possible risk of harm to the unborn child), R-36/37/38 (irritating to eyes, respiratory system and skin) and R-67 (vapours may cause drowsiness and

dizziness). Formal EU agreement to his proposal is expected sometime in 2003. The safe limit in terms of concentration as laid down by ICI for their 1,1,1-trichloroethane product was originally 350 ppm. Later, just prior to the total phasing out of the product, this was reduced to 200 ppm. Mr Singh states that for his company's GENKLENE product they advise a limit of 100 ppm.

46. Mr Singh explains that since at least 1997 Amity had been selling two grades of n-propyl bromide based product, under the names LEKSOL and AG-101. LEKSOL is the high quality, top of the market product. AG-101 is much less expensive., It was later perceived that there was a gap in the market for an intermediate grade product. In particular, sales of the LEKSOL product were limited due to high pricing. An intermediate grade product, namely GENKLENE, was therefore introduced in 2000 to fill the gap. Large quantities of the LEKSOL product continued to be sold to the high end of the market, for example to electronics and aerospace companies who require a top quality degreasing product. The GENKLENE product is sold to companies that do not need a superior high-grade product (like LEKSOL), but require a decent product for a lower grade application. Such companies include automobile manufacturers, general engineering companies, powder coaters and the like. Finally, the low end product AG-101 is only sold for cold cleaning purposes, since it is not suitable for vapour degreasing at all. Mr Singh adds that there is nothing peculiar or strange about the sale of different grade products under different names and it is a perfectly acceptable and common practice within the chemical industry.

47. Mr Singh goes on to state that Amity are unusual in that they provide, free of charge, training for all their customers and in particular their health and safety units concerning the correct usage of their products, the maximum concentrations which can be employed with safety, and the most economical way in which the products are to be used. He adds that the difference in all of Amity's products are clearly explained in its literature and it is very unlikely that any customers will be confused in respect of the differences between the three grades and their appropriate end uses. There is certainly no implication that Amity's GENKLENE product is intended as a direct replacement for 1,1,1-trichloroethane and no sensible person would make that assumption as Amity's publicity material explains, the GENKLENE product is intended and geared as a replacement for trichloroethylene.

48. Mr Singh goes on to explain that the Amity LEKSOL product is not a replacement for the 1,1,1-trichloroethane based product. N-propyl bromide is a drop in replacement for trichloroethylene NOT 1,1,1-trichloroethane. By the words "drop-in replacement", Mr Singh means a replacement product which does not force an end-user, who has previously used a different product, to change his techniques or his equipment.

49. Turning to ICI's use of the GENKLENE mark Mr Singh states that as far as Amity are concerned, once ICI's 1,1,1,-trichloroethane based product was regulated out, ICI made a deliberate decision to abandon the GENKLENE mark that had been used in relation to that product and the business in GENKLENE. He adds that it was common knowledge in the industry that ICI were no longer able to manufacture their GENKLENE 1,1,1-trichloroethane product and that the relevant production line had been closed. There was no indication of any attempts or indeed any actual alternative or replacement products utilising the GENKLENE name being developed or launched



by ICI. Instead what happened was that the dedicated ICI Genklene plants (the last being the Genklene 4 plant) were shut down. Mr Singh continues by stating that the two UK trade mark registrations for GENKLENE of ICI were not renewed and were allowed to lapse in December 1994. The consequence was that the registrations were eventually removed from the Register in 1995. The decision was no doubt made for commercial reasons which appear sound at the time; if that decision is now regretted, Mr Singh does not see that Amity can in retrospect be blamed.

50. Mr Singh denies that GENKLENE has continued to function as a trade mark of ICI/Ineos bearing in mind that ICI allowed their trade mark registrations to lapse in 1994, just over eight years ago, and all manufacture ceased in 1995. He points out that Amity have been using and promoting the mark in respect of its n-propyl bromide product for over 21 months and claims that the mark is associated with Amity and its product. He adds that he has not seen anything that would indicate that launch of an “acceptable replacement for the GENKLENE in all its uses” is a genuine possibility as this seems unlikely in the extreme, given that no steps in that direction have been taken in the last 7 to 8 years. Mr Singh’s view is that the conclusions to be reasonably drawn from ICI’s actions were and are obvious.

51. Mr Singh explains that Amity became interested in the mark GENKLENE because it was seen as an effective and catchy name, particularly as it could be interpreted as alluding to a “general cleaner”. This was seen as apt for the intermediate grade product that Amity intended to launch. A search was conducted in November 1998 by Waterlow Legal & Company Services of 6-8 Underwood Street, London N1 7JQ to determine if the mark was available and it was discovered that it was. Mr Singh goes on to state that Amity was aware (as was the industry) that ICI GENKLENE manufacture had ceased, that the plants had been closed and that there was no ongoing trade and it was known that ICI had ceased business under the GENKLENE mark, and the lapsed registrations were just further confirmation. Mr Singh adds that by the end of November 1998 therefore, when the application for GENKLENE was made, the mark had been available for some considerable time. He cannot see that Amity can legitimately be accused of having acted in bad faith, as at the time of application ICI were no longer the proprietors of the mark or any business under the mark and Amity has investigated the registration position thoroughly and in good faith. He adds that there was never any intention to associate either the intermediate grade n-propyl bromide product or Amity with ICI and the nature of all literature and advertising relating to both Amity and its products points against any such intention and further, make the possibility of any confusion unlikely. Mr Singh goes on to say that it is by no means unknown for a trade name or trade mark to remain unchanged when the product which it denotes undergoes a (chemical) change. The industry and customers are aware of this and thus are unlikely to be deceived in the manner suggested by the applicant. By way of example, he mentions the mark GENESOLV, registered under No 1018903 in this country in the name of Honeywell International Inc., in respect of fluorinated solvents included in Class 1. The GENESOLV product used to consist of CFC’s (chlorofluorocarbons). More recently, the formulation has been changed to HCFC’s.

52. Turning to health and safety, Mr Singh states that the applicant attacks the registration and use by Amity of the mark GENKLENE on a n-propyl bromide product from a Health & Safety perspective but as far as Amity are concerned the care

instructions issued with the product are such that there is no danger (absent recklessness) to customers or users. Mr Singh explains that for the avoidance of doubt his company sought independent confirmation on the Health & Safety question. They arranged for Mr Niall Evans, the principal specialist inspector (Occupational Hygiene) of the Health & Safety Executive in the Yorkshire & North East Region, to visit them and Mr Niall visited Amity on 10<sup>th</sup> April 2002 in order to examine all relevant factors and to comment on our use of the trade mark GENKLENE from a Health & Safety point of view. At Exhibit "RS-2" to Mr Singh's statement is a copy of a letter dated 16<sup>th</sup> April 2002 to Amity in which Mr Niall confirms the clarity of our material safety data sheets, and product and substance information sheets, as well as the advertising material and states that he does not believe that the use of GENKLENE or any of Amity's actions endanger the safety or health of any users/customers. Mr Singh concludes that this letter therefore confirms that as far as the Health & Safety Executive is concerned, there is absolutely no objection to Amity's use of the mark GENKLENE on a n-propyl bromide product. He points out that Mr Niall states that new formulations under existing trade names are "not uncommon".

53. Mr Singh states that Amity has been selling their GENKLENE product for approximately 21 months, during which time sales have been over two hundred and fifty tonnes, representing a turnover in pounds sterling of over three quarters of a million pounds. While this is a much lower volume than that achieved by ICI prior to 1995 Mr Singh points out it nevertheless represents an appreciable sales volume relative to Amity's size.

54. Mr Singh states that Amity have been selling their GENKLENE product for approximately 21 months and that during this period he has not been aware of any confusion between their product and the old ICI product. In Mr Singh's view the relevant public now understand the name GENKLENE as referring to Amity's product.

### **Applicant's Evidence in Reply**

55. This consists of three witness statements, a second witness statement by Trevor Mann dated 14 May 2003, a witness statement by Paul Henstridge dated 13 May 2003 and a further witness statement by Ivor Caddy dated 12 May 2003.

56. Mr Mann disputes much of Mr Singh's evidence in relation to the uses of the registered proprietor's product and is critical of Mr Singh's conclusions. In particular Mr Mann concludes that Amity's GENKLENE is being promoted as a good alternative to 111-trichloroethane. Furthermore, Mr Mann states that ICI did not make a deliberate decision to abandon the GENKLENE mark as they are continuing their interest, in particular as sales of the product and after sales service are continuing. While for reasons of commercial sensitivity Mr Mann feels unable to disclose the actual sales and production figures of the GENKLENE plant, he confirms that 25% of the plant's total production was made in the first five years of operation between 1980 and 1985; 36% between 1985 and 1990, and 39% between 1990 and closure in 1995.

57. Mr Henstridge is the North West Legacy Manager of ICI and throughout 2000 he took part in negotiations on behalf of ICI to divert the Chlor-Chemicals Business of ICI Chemicals & Polymers Limited. He explains that the divestment included all of the registered and unregistered trade marks and all associated goodwill, including the trade mark GENKLENE. Mr Henstridge has consulted the Master Sale and Purchase Agreement and relevant parts are at Exhibit “PH-1” to Mr Henstridge’s statement.

58. Mr Caddy explains that prior to representing Ineos in trade mark matters, he represented Imperial Chemical Industries (ICI) in the due diligence exercise that was carried out as a precursor to the divestment of the Chlor-Chemicals business of ICI’s subsidiary ICI Chemicals & Polymers Limited. He states that in respect of the trade mark GENKLENE he was specifically briefed by ICI on the history of the mark and its continuing significance in the UK market. As part of his due diligence report, Mr Caddy was asked to prepare a resume to this effect.

59. This completes my summary of the evidence filed in this case. I now turn to the decision.

## **DECISION**

60. I turn firstly to the Section 5(4)(a) ground. Section 5(4)(a) reads as follows:

“5.-(4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented -

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

61. The law on the common law tort of passing off is clearly set out by Geoffrey Hobbs QC, acting as the appointed person, in *Wild Child* [1998] 14 RPC, 455:

“A helpful summary of the element of an action for passing off can be found in Halsbury’s Laws of England 4<sup>th</sup> Edition Vol 48 (1995 reissue) at paragraph 165. The guidance given with reference to the speeches in the House of Lords in *Reckitt & Colman Products Ltd v Borden Inc* [1990] RPC 341 and *Erven Warnink BV v J Townend & Sons (Hull) Ltd* [1979] ACT 731 is (with footnotes omitted) as follows:

- (a) that the plaintiff’s goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;
- (b) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by the defendant are goods or services of the plaintiff; and

- (c) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant's misrepresentation.

The restatement of the element of passing off in the form of this classical trinity has been referred as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House. This latest statement, like the House's previous statement, should not, however, be treated as akin to a statutory definition of 'passing off', and in particular should not be used to exclude from the ambit of the tort recognised forms of the action for passing off which were not under consideration on the facts before the House."

62. Further guidance is given in paragraph 184 to 188 of the same volumes with regard to establishing the likelihood of deception or confusion. In paragraph 184 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 this 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, the courts will have regard to:

- (a) the nature and extent of the reputation relied upon;
- (b) the closeness or otherwise of the respective field 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 matter 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”.

63. Thus, to succeed in a passing off action, it is necessary for the applicant to establish, that at the relevant date (20 November 1998) (i) they had acquired goodwill under their mark, (ii) that use of the applicant’s mark would amount to a misrepresentation likely to lead to confusion as to the origin of their goods; and (iii) that such confusion is likely to cause real damage to their goodwill.

64. Section 72 of the Act is also relevant to these proceedings. It states:

“72 - In all legal proceedings relating to a registered trade mark (including proceedings for rectification of the register) the registration of a person as proprietor of a trade mark shall be prima facie evidence of the validity of the original registration and of any subsequent assignment or other transmission of it.”

65. Accordingly, the onus is upon the applicant to show that at the relevant date the mark in suit was registered in breach of Section 5(4)(a)

66. I now go on to assess the evidence filed and submissions made in respect of these proceedings. I will consider the issue under the three main headings of Goodwill, Misrepresentation and Damage. However it is important to emphasise that the relevant date for these proceedings is 20 November 1998 as much of the evidence filed including that evidence relating to the registered proprietor’s use, concerns matters and events falling after that date. Section 5(4)(a) is derived from Article 4(4)(b) of First Council Directive 89/104 which states:

“rights to a non-registered trade mark or to another sign used in the course of trade were acquired prior to the date of application for registration of the subsequent trade mark.”

The relevant date cannot, therefore be later than the date of the application for registration ie 20 November 1998.

## **GOODWILL**

67. Goodwill, often described as reputation, is “the attractive force which brings in custom” (Lord Macnaghten in *Commissioners for Inland Revenue v Muller* [1901] AC 217).

68. The evidence shows that from the mid-1960s the applicant used the trade mark GENKLENE on an industrial cleaning solvent (which it manufactured) with a wide range of applications but, in particular, for cold cleaning. Use was significant and at the hearing Mr Pritchard, on behalf of the registered proprietor conceded (sensibly in my view) that up until production ceased in 1995, goodwill in the mark rested with the then proprietor ICI.

69. The registered proprietor submits that following the cessation of production, ICI abandoned the trade mark and thus the goodwill associated with the mark and states that goodwill once abandoned, cannot be revived. Clearly, at the relevant date for these proceedings no goodwill could have rested in the registered proprietor as it had made no use of the mark in suit. Accordingly, the point at issue is whether on 20 November 1998 ICI retained the goodwill in the mark GENKLENE or whether it had abandoned or lost such goodwill by this date.

70. Extinction of goodwill is considered in Wadlow's *The Law of Passing Off* (2<sup>nd</sup> Edition) at paragraph 2.87 on page 140:

“The goodwill in a business is not necessarily extinguished immediately if the owner ceases to trade. This has been recognised by the Privy Council, and there are numerous cases of plaintiffs succeeding in passing-off actions even though they may have been out of business for several years.

In an early trade mark case it was suggested by analogy with the law of easements that an intention to abandon goodwill was essential if it was to be extinguished, but this has subsequently been denied. The better view is that if a business is deliberately abandoned in circumstances which are inconsistent with its being recommenced then the goodwill in it is destroyed unless assigned at the time to another business. Otherwise, the goodwill in a discontinued business may continue to exist and be capable of being protected, provided the plaintiff intended and still intends that his former business should resume active trading. It is not necessary that the prospect should be imminent, but the mere possibility of resumption if circumstances should ever change in the plaintiff's favour is not enough. The plaintiff's intention to resume business may the more readily be believed where the original cessation was forced on him by external circumstances, but this factor is not conclusive either way.”

71. At the hearing, both parties took me to the evidence filed. On behalf of the applicant, Mr Caddy pointed out that while the provisions of the Montreal Protocol meant that ICI (the applicant's predecessor) was forced to cease production of the GENKLENE product by 31 December 1995, the GENKLENE product could be stockpiled and sold by distributors etc until 1 October 2000. He submitted that the evidence showed that ICI increased production prior to 31 December 1995 (Mr Mann's second statement – paragraph 56 of this decision refers) to facilitate the sales of stockpiled goods after that date and that voluntary product stewardship by ICI continued eg through the provision of Chemical Safety Data Sheets for customers (paragraph 23 of this decision refers) and the provision of a customer enquiry line (see paragraph 28 of this decision) as such activity helped protect the reputation of the GENKLENE mark and that of ICI. They also point to the evidence of Mr Smart and Mr Roberts relating to third party recognition of GENKLENE as a trade mark of ICI subsequent to 1995. The applicant adds that it remains a possibility that a new product may be developed that is an acceptable replacement for the prior GENKLENE product and if so, it would be re-introduced under the GENKLENE name – see paragraph 12 of this decision regarding Ms Wood's statement on this point, and paragraph 24 of this decision regarding Mr Mann's statement.

72. For the registered proprietor, Mr Pritchard highlighted that ICI did not renew the GENKLENE trade marks in 1994 as some-one may have thought “there was no point in renewing the marks”; that the production of the product sold under the mark ceased in 1995 and there has been no initiative by ICI (or its successor) to introduce a replacement GENKLENE product who have promoted and sold different replacement products under different marks; and that the registered proprietor’s registration was not opposed when it was advertised.

73. At the hearing the parties drew my attention to a number of decided cases on abandonment/residual reputation but it seems to me that the facts in these cases do not directly impact upon the facts of the current proceedings and those cases were all decided on their own particular circumstances and merits. I have to decide whether by/at 20 November 1998 the actions and/or inaction of the applicant’s predecessor (ICI) amounted to abandonment of the GENKLENE mark or whether at that date they possessed goodwill in relation to that mark.

74. Firstly, I note that ICI’s cessation of production of their GENKLENE product in 1995 was forced by external circumstances, the product being successful and widely used prior to that date. Furthermore, the evidence infers that trade of goods sold under the mark still took place through distributors after 1995 and such trade would have remained legal at and for around two years after the relevant date. The evidence also shows continued voluntary product stewardship consistent with maintaining goodwill under the mark. There are also statements in the applicant’s evidence to indicate that, if a suitable product replacement had been developed, ICI would have sold that product under the GENKLENE mark.

75. Turning to the contrary indicators highlighted by the registered proprietor, I would point out that there is no direct evidence as to why the GENKLENE marks were not renewed in 1994. One can only speculate. Similarly, the reasons for the failure to oppose the registration in suit when it was advertised are not apparent. The failure of ICI to introduce a new GENKLENE product by the relevant date can be readily explained by the ongoing sales of the 1,1,1,-trichloroethane product and the applicant’s claim that any replacement product would need to be closely ‘aligned’ to the 1,1,1,-trichloroethane product and that such a product had not been developed by the relevant date.

76. I have not found this a straightforward decision but taking into account the evidence and all the circumstances I have come to the conclusion that as at the relevant date, ICI had not abandoned its GENKLENE marks and despite the cessation of product production, goodwill in the mark rested with ICI. The registered proprietor’s case leaves much to speculation and inference and the applicant’s evidence is far more conclusive, as it is in my view capable of more direct application. There is nothing in the evidence to demonstrate abandonment of goodwill by ICI and given the accepted repute of the mark at the end of 1995 and also the continued trade under the mark after that date, it seems to me that ICI would, on a logical application of the facts, retain goodwill in the mark at the relevant date.

## **MISREPRESENTATION**

77. To succeed under this heading the applicant needs to show that the relevant public would believe that goods offered by the registered proprietor are goods of the applicant.

78. The applicant for invalidation and the registered proprietor have filed evidence relating to the registered proprietor's use and repute. However, such use is well after the relevant date and is also after October 2000, the date after which the applicant's GENKLENE product could not be legally traded. At the hearing Mr Pritchard submitted that I should take the registered proprietor's use into account for the purposes of misrepresentation, in particular that the applicant had not shown confusion as a result of such use. While there may be instances where use after the relevant date may assist in the determination of whether misrepresentation was likely at the relevant date, I do not believe this to be such a case. The circumstances existing at the time of the registered proprietor's use were fundamentally different eg the ICI GENKLENE product was no longer being traded, the time since production ceased was significantly longer and there is no direct evidence of product stewardship from the applicant in relation to this period.

79. The matter must be assessed from the application dated (20 November 1998) on the basis of notional, fair use of the mark in suit.

80. Firstly, it is apparent that the trade marks at issue are identical.

81. Earlier in this decision I found that the applicant's predecessor in title possessed goodwill in relation to the goods upon which the mark had been used ie industrial cleaning solvents. The product in question contained 1,1,1-trichlorethane and this would have been an important factor for many customers, in particular chemical distributors and those in the trade, but other customers as end users would have had little interest in the products content. The registered proprietor's specification of goods covers "Chemicals for use in vapour and ultrasonic cleaning, precision cleaning, adhesive formulations and aerosol applicants", that is, in "shorthand", industrial cleaning solvents. Such goods could include 1,1,1,-trichlorethane, which could be legally traded at the relevant date, but in any event they would share the same purpose, trade channels and users. In my view the respective goods on the basis of notional fair use are identical and/or very closely similar.

82. In such a case of double identity (or virtual double identity when identical marks are used on very closely similar goods sharing the same purpose, channels and users) a likelihood of confusion must be presumed.

## **DAMAGE**

83. Where parties use the same mark on identical or very closely similar goods which share the same purpose, channels, potential market and customer, it must be presumed that there will be damage through diversion of trade.

## **CONCLUSION**



84. The application for revocation succeeds under Section 47(2)(b) of the Act in that there is an earlier right in relation to which the condition set out in Section 5(4)(a) is satisfied. I have no need to go on and consider the other grounds raised. I would only add that I do not believe the applicant to have any stronger case under those grounds.

85. In accordance with Section 47(6) of the Act, the registration will be declared invalid and deemed never to have been made.

### **COSTS**

86. The applicant is entitled to a contribution towards costs. At the hearing, Mr Caddy submitted that any costs awarded should take into account that Mr Singh's evidence was "riddled with errors". Mr Pritchard responded by stating that there was nothing improper or otiose in Mr Singh's witness statement. I tend to agree with Mr Pritchard. Matters in dispute were addressed by the applicant's evidence in reply and much of this related to differences in emphasis and interpretation. I do not believe there are any special factors which should impact upon the costs awarded in these proceedings but I note that such costs need to take account of the interlocutory hearing held on 3 April 2003 at which the registered proprietor's request for an extension of time to file evidence was allowed.

87. I order the registered proprietor to pay the applicant the sum of **£1,850**. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 1<sup>st</sup> day of December 2003**

**JOHN MacGILLIVRAY**  
**For the Registrar**  
**the Comptroller-General**