

O-407-17

TRADE MARKS ACT 1994

CONSOLIDATED PROCEEDINGS INVOLVING:

**1) OPPOSITION (NO 407661) BY COTTAGE STORES LLP TO THE
REGISTRATION OF TRADE MARK 3179440 (KOMPACT) APPLIED FOR
BY EBAC INDUSTRIAL PRODUCTS LTD**

AND

**2) AN APPLICATION (NO 501288) BY EBAC INDUSTRIAL PRODUCTS LTD
TO INVALIDATE TRADE MARK REGISTRATION 2619258 (Kompact)
OWNED (AND RELIED UPON IN THE ABOVE OPPOSITION
PROCEEDINGS) BY COTTAGE STORES LLP**

Background and pleadings

1. The two trade marks the subject of these consolidated proceedings are:

- i) UK trade mark application 3179440 for the mark **KOMPACT** which was filed by Ebac Industrial Products Ltd (“Ebac”) on 9 August 2016 and was published for opposition purposes on 26 August 2016. Registration is sought for: “Stand-alone dehumidifiers, not being part of air conditioning units” in class 11.
- ii) UK trade mark registration 2619258 for the mark: **Kompact** which was filed on 26 April 2012 and subsequently registered on 31 August 2012. The proprietor of the mark is Cottage Stores LLP (“Cottage”) and the mark is registered for: “Portable air conditioners and dehumidifiers” in class 11.

2. Cottage oppose the registration of Ebac’s mark under sections 5(1) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”). The first claim is based on its earlier trade mark registration (2619258), the second on the basis of claimed use since August 2006 of the mark **Kompact** in respect of portable air conditioners and dehumidifiers. Ebac defends the first claim on the basis that Cottage’s earlier mark is partially invalid (in that it should not cover “stand-alone dehumidifiers, not being part of air conditioning units”) and, consequently, that the remaining goods are not “goods of the same description” as its goods. Its invalidation claim against the earlier mark is based upon section 5(4)(a) of the Act on account of use claimed to have been made since 2005. Ebac defends the second (opposition) claim on the basis that Cottage has not made any use of the mark, and, further, that even if it had, Ebac used its mark prior to it.

3. Both parties filed evidence and written submissions during the evidence rounds. Neither party asked to be heard, although Cottage did file written submissions in lieu of a hearing. Both sides are professionally represented, Cottage by Withers & Rogers LLP, Ebac by Craske & Co.

4. I will firstly determine the invalidation claim made against registration 2619258 as the scope for which this mark is validly registered has been put into question. Having

decided that matter, I will then move on to the opposition proceedings. I will, though, start with a summary of the evidence that has been filed.

The evidence

Ebac's evidence

5. This comes from Mr Stephen Lilly, Ebac's managing director. He states that the Ebac Group, of which Ebac is part, is a major manufacturer of dehumidifiers. Although the group is said to sell to all sectors, Ebac was formed to manufacture and sell products "aimed primarily at the industrial and commercial markets". Mr Lilly states that in December 2014 Ebac embarked upon the design of a small portable stand-alone dehumidifier to be used by tradesmen such as builders, plasterers and carpet cleaners who often need to dry out a building quickly and cost-effectively. Mr Lilly was involved with the design of this product which is known internally as the 1240 KP but "right from the early days we called the dehumidifiers the KOMPACT, which seemed a very apt name". Exhibit 1 contains three original design drawings for various parts of the dehumidifier. The first two have earliest date indications of December 2014, but have dated revisions made on later dates. The drawings contain the titles KOMPACT CHASSIS WELD ASSEMBLY and KOMPACT COVER WELD ASSY. Mr Lilly confirms that the drawings when originally made would have contained the KOMPACT name. The third drawing has only one date (from 2005), the design is of the KOMPACT HANDLE ASSY.

6. Sales commenced in 2005. The product was manufactured in Bishop Auckland. Mr Lilly states that it has been sold throughout the UK and, with minor modifications, also exported to Europe and the US. Mr Lilly states that whilst the product has been promoted by means of trade advertisements and brochures, it mostly now relies on internet advertising. Reference is made to Ebac's website at which its current promotional web page can be viewed. Web pages were not, however, provided to the tribunal.

7. Exhibit 2 contains some examples of advertising, including:

- An advertisement placed in the publication Cleaning Matters in November 2008. It contains what I assume to be Ebac's corporate logo, its company name, pictures of dehumidifiers and, on the right hand side, in bold, the word **KOMPACT**, underneath which is a list of the product's attributes.
- A "panel" said to be used in various directories. It is similar to the one described above, although, it does not actually contain the word **KOMPACT**.
- An advertisement placed in Keystone Ireland in April 2008 (which Mr Lilly states is a trade newspaper for the construction and design industry in Northern Ireland) which contains the corporate logo, the company name, pictures of the products (which include what I assume to be dehumidifiers and, also, industrial looking fans). The text at the top of the page reads

"High Velocity 24" Dia 3 Speed Portable Fan DF5000
Dual Voltage KOMPACT High Capacity Dehumidifier"

- A similar looking advertisement (although the above words are this time below the products) placed in the UK version of Keystone in April 2008.
- An advertisement placed in Mechaid magazine in October 2008, similar in style to the one described at bullet point 1, which contains the word KOMPACT.

8. Exhibit 3 contains what are described as leaflets distributed to the trade between 2005 and 2007. They focus on the KOMPACT product and the leaflets contain the word KOMPACT in large lettering on the front page, as well as throughout the leaflet itself.

9. Mr Lilly re-affirms that the product has been sold around the UK but he does not wish to provide details of its customer base due to issues of confidentiality. He does, however, specify 24 towns/cities in the UK where its customers are based which were taken from randomly selected sales made since 2006. They include towns/cities in England and Wales, but none in Scotland or Northern Ireland. Exhibit 5 contains three

sales orders from 2006 (customer details removed) which make reference to KOMPACT products.

10. Exhibit 5 provides sales information. UK sales are said to be as follows: 2 sales (in 2005), 215 (2006), 787 (2007), 80 (2008), 76 (2009), 151 (2010), 214 (2011), 110 (2012), 82 (2013), 107 (2014), 143 (2015) and 16 (2016). Mr Lilly states that there was a downturn in 2008 which was slow to recover. He states that the machines are expensive (the invoices show that in 2006 they were around £500) with a long service life and that there must be many hundreds in use throughout the UK.

11. Mr Lilly expresses his concern in Cottage being able to take action against Ebac. I do not intend to summarise what he says in detail. What I do note is that although he was not aware of Cottage's use of KOMPACT or that there is a connection between that mark and a business called KOOLBREEZE (later evidence shows that Cottage's use is under a KOOLBREEZE house mark - see below) he was aware of KOOLBREEZE per se. He states that whilst he is aware that some KOOLBREEZE air conditioning units have a dehumidifying function, that type of product, and stand-alone dehumidifiers, are very different beasts. He states that if KOOLBREEZE started selling KOMPACT stand-alone dehumidifiers he would be very concerned, although he would not be concerned with sales of air conditioning units.

Cottage's evidence

12. This comes from Mr Danny Heaney, a senior partner at Cottage. He explains that Cottage specialise in the sale of climate control equipment across the UK. It mainly sells wholesale to online retailers, air conditioning companies, builders' merchants, electrical wholesalers, hire companies etc. Mr Heaney accepts that Cottage itself is not well known because it operates under two main brands, Koolbreeze and Climate King. Cottage's product range is said to include dehumidifiers, evaporative coolers, fans, heaters and portable air conditioners. Exhibit 1 is described as a brochure "showing a selection of our products sold over the last 5 years". The brochure contains depictions of dehumidifiers, but none are sold under the Kompact name, they are sold under names such as Koolbreeze Nevada and Koolbreeze Arizona. The use of Kompact is limited to portable air conditioners which are branded under the name

Koolbreeze Kompact. I note that one of the air conditioners features an evaporative dehumidifier. Other goods depicted are coolers/heaters and fans, which, again, do not use the Kompact name.

13. Mr Heaney states that Cottage does not sell to one niche market. He adds that although a large percentage of sales are business to business, the ultimate buyers and users may either be industrial users or consumers. Mr Heaney states that “[t]his is particularly true for the KOMPACT multi-function units which we sell as they can be used in offices, server rooms, houses or shops; anywhere that needs cooling, heating or drying. Thus the brand is widely promoted to the general public”.

14. Cottage has been in existence since 2002, but records have not been retained for periods prior to 2006. It is therefore explained that the use of KOMPACT dates from 2006. Exhibit 2 contains a “box design” for a portable air conditioner from August 2006, showing a design specification under the primary brand Koolbreeze – Kompact is used as a sub-brand. Exhibit 3 contains an extract from a brochure from September 2006 showing the range of Koolbreeze air conditioning units. One is identified as the Koolbreeze Kompact – its list of attributes does not include dehumidifying. It is claimed that 5000 copies of this brochure were produced and over 2500 distributed at public exhibitions. Exhibit 4 contains a technical specification sheet for various of its goods which was placed on its website in October 2006. I note that the Kompact includes some form of moisture removal capacity (1.5 litres per hour).

15. Exhibit 5 contains a price list from December 2006. The Kompact products start at £255 for 1 to 6 pallets (8 units per pallet), £276 for 3-7 units and £329 for 1 or 2 units. These are wholesale prices, as the profit margin is listed at 40%, 35% and 22% respectively.

16. Exhibit 6 contains a photograph taken at a national exhibition in the Birmingham NEC in February 2007 at which the Kompact product was featured. It shows two people manning a stand with two units on display one of which is identified (by Mr Heaney) as a Kompact unit.

17. Exhibits 7-11 contain other forms of promotional material as follows:

- A press release issued in March 2007 for an undated Koolbreeze Kompact which includes a dehumidifying function.
- Brochures issued to the trade in 2007, 2012 and 2014 in respect of the Koolbreeze Kompact. The latter two specifically mention the dehumidifying function. The first references only its “evaporative cooling feature”.
- Two advertisements, when and where they were placed is not specified. The first does not mention Kompact.
- Extracts from websites which re-sell the product, dated January 2017.
- Extracts from what are described as websites on which Cottage have paid to advertise, including the Find the Needle website on which an article is said to have been placed since 2011. The article is about the Koolbreeze Kompact Air conditioner. Reference is made to a water pump that operates on humid days to remove excess water from building up in the unit.

18. Mr Heaney states that its multi-function KOMPACT machines proved very popular. Despite a sales downturn in 2008 due to the recession, sales recovered so that by 2011 the brand was extended to introduce a larger output model. The mark was also of such an importance that it was registered as a trade mark in 2012. Exhibit 12 contains sales figures. For the various Kompact models these have been 170 (2007), 17 (2008), 49 (2009), 65 (2010), 191 (2011), 410 (2012), 356 (2013), 630 (2014), 444 (2015) and 85 (2016). Mr Heaney states that the RRP of the goods ranges from £499 to £799 so the sales represent a considerable volume of income. Exhibit 13 contains a large number of invoices issued between 2007 and 2015 in respect of Kompact goods to businesses throughout the UK.

The invalidation claim - section 5(4)(a) of the Act

19. Section 5(4)(a) of the Act reads:

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

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

(b)...

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

20. Halsbury’s Laws of England (4th Edition) Vol. 48 (1995 reissue) at paragraph 165 provides the following analysis of the law of passing-off. The analysis is based on guidance given in the speeches in the House of Lords in *Reckitt & Colman Products Ltd v. Borden Inc.* [1990] R.P.C. 341 and *Erven Warnink BV v. J. Townend & Sons (Hull) Ltd* [1979] AC 731. It is (with footnotes omitted) as follows:

“The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:

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

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

(3) 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 elements of passing off in the form of this classical trinity has been preferred 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 or as if the words used by the House constitute an exhaustive, literal 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."

21. Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph 184 it is noted (with footnotes omitted) that:

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

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

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

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

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

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

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

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

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

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

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

22. In *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL), the Court stated:

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

23. In *Hart v Relentless Records* [2003] FSR 36, Jacob J. (as he then was) stated that:

“62. In my view the law of passing off does not protect a goodwill of trivial extent. Before trade mark registration was introduced in 1875 there was a right of property created merely by putting a mark into use for a short while. It was an unregistered trade mark right. But the action for its infringement is now barred

by s.2(2) of the Trade Marks Act 1994. The provision goes back to the very first registration Act of 1875, s.1. Prior to then you had a property right on which you could sue, once you had put the mark into use. Even then a little time was needed, see per Upjohn L.J. in *BALI Trade Mark* [1969] R.P.C. 472. The whole point of that case turned on the difference between what was needed to establish a common law trade mark and passing off claim. If a trivial goodwill is enough for the latter, then the difference between the two is vanishingly small. That cannot be the case. It is also noteworthy that before the relevant date of registration of the BALI mark (1938) the BALI mark had been used 'but had not acquired any significant reputation' (the trial judge's finding). Again that shows one is looking for more than a minimal reputation."

24. However, a small business which has more than a trivial goodwill can protect signs which are distinctive of that business under the law of passing-off even though its reputation may be small. In *Stacey v 2020 Communications* [1991] FSR 49, Millett J. stated that:

"There is also evidence that Mr. Stacey has an established reputation, although it may be on a small scale, in the name, and that that reputation preceded that of the defendant. There is, therefore, a serious question to be tried, and I have to dispose of this motion on the basis of the balance of convenience."

See also: *Stannard v Reay* [1967] FSR 140 (HC); *Teleworks v Telework Group* [2002] RPC 27 (HC); *Lumos Skincare Limited v Sweet Squared Limited and others* [2013] EWCA Civ 590 (COA).

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

"27. There is one major problem in assessing a passing of claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the registrar is entitled to be presented with evidence

which at least raises a prima facie case that the opponent's reputation extends to the goods comprised in the applicant's specification of goods. The requirements of the objection itself are considerably more stringent than the enquiry under s.11 of the 1938 Act (see *Smith Hayden & Co. Ltd's Application (OVAX) (1946) 63 R.P.C. 97* as qualified by *BALI Trade Mark [1969] R.P.C. 472*). Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.

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

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

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

27. Whether there has been passing-off must be judged at a particular point (or points) in time. In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11, Mr Daniel Alexander QC, sitting as the Appointed Person, discussed the matter of the relevant date in a passing-off case:

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

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

28. The registration the subject of the invalidation claim was filed on 26 April 2012. At the very least Ebac must establish that it had a protectable goodwill at this date. In terms of whether the position must be assessed at an earlier date, I note that Cottage has evidence that it has traded under the **Kompact** mark since 2006. However, such trade is only relevant if it corresponds to the behaviour complained of. Ebac’s claim is a limited one, seeking partial cancellation in respect of “[s]tand-alone dehumidifiers, not being part of air conditioning units”. It is clear from the evidence that any use that has been made by Cottage of the **Kompact** mark is in respect of an air conditioning unit, some of which have a dehumidifying function. Thus, the use that has been made does not correspond to the behaviour complained of, or in this case the notional behaviour complained of. As such, 26 April 2012 is the only relevant date to consider.

Goodwill

29. Ebac claims that its business has a protectable goodwill in connection with its stand-alone dehumidifiers (not part of air conditioning units). Other than in unusual circumstances, goodwill requires trade or custom. I therefore focus initially on the sales figures for Ebac’s **Kompact** product. There were 2 sales in 2005, but in subsequent years there were higher numbers. There were at least six continuous full years prior to the relevant date in which sales took place. They peaked in 2007 at 787 before a fall-off in 2008. However, sales began to grow again and reached 214 in 2011.

30. In its submissions Cottage notes that the goods are sold to a niche market (builders, plasterers etc) and that most sales were made in 2006 and 2007, with less than 127 units (on average per year) between 2008-2012 which means, it submitted, that there is no lasting goodwill. It also submits that there is no supporting evidence of sales, and that, for example Ebac could have filed redacted invoices; therefore sales figures alone are not enough.

31. Notwithstanding Mr Lilly's point about the goods being relatively expensive (around £500), it is still fair to say that the sales figures are not substantial. However, as stressed earlier, the law of passing-off protects small businesses as well as large. The question is whether there is more than a trivial goodwill. In my view, the level of sales, although modest, has the potential to create a protectable goodwill, on account of the length and regularity of the business, supported by the sales that have resulted. The potential to create goodwill is further supported by the breadth of business. Although not truly nationwide, it is certainly more than a local goodwill on account of the towns and cities in which Ebac's customers have been located. Whilst I have taken into account Cottage's point about an absence of supporting evidence such as invoices, and whilst it would have been better to have seen more evidence, the evidence taken as a whole does not suggest to me anything other than a regular (but small) business being conducted in connection with the claimed goods.

32. I have used the word "potential" above because sales alone are not the be all and end all of the matter. The nature of the use made must be considered to ensure that the sign **Kompact** is associated in the mind of Ebac's customers with its goodwill. To that extent, the various materials provided in evidence show that the word **Kompact** was used as the name of the product itself. Such use would clearly count in favour of the associative (with the goodwill) part of the test. I do pause to reflect on the fact that of the material provided, the latest dated example comes from 2008. Cottage submit that not only is the nature of the promotion undertaken imprecise (no evidence is provided about the brochure and the advertising is said to be in a minor publication), but that Ebac must have significantly reduced its promotional or marketing endeavours from 2008. However, there is nothing to suggest that the name of the product has changed and the overall commentary of the witness supports the fact that the product was continued to be sold as **Kompact**. Whilst I agree that the evidence could have

been better, I accept that Ebac had, at the relevant date in 2012, a protectable goodwill associated with the name **Kompact** in connection with its stand-alone dehumidifiers.

33. The next stages of the test require an assessment to be made of the capacity for a misrepresentation¹ to arise if the registered mark was used for the challenged goods, and an assessment as to whether this would cause damage. However, in this case, the sign used by Ebac is identical to the trade mark it challenges and the goods for which it seeks partial invalidation are identical to the goods with which its goodwill is associated – consequently, it is inevitable that a misrepresentation would arise, and, further, it is also inevitable that this would cause damage due to, inter alia, the potential for a direct loss of sales.

34. Before concluding on this ground, I pause again on one matter. That matter relates to the potential for concurrent goodwills to exist. Whilst I acknowledge that Cottage may have used its mark on certain goods for a number of years prior to the relevant date, I do not consider that this helps. A useful explanation of the position with regard to rival claims can be found in the decision of Mr Geoffrey Hobbs QC (sitting as the Appointed Person) in *Croom's Trade Mark Application* [2005] R.P.C. 2 where he stated:

“45 I understand the correct approach to be as follows. When rival claims are raised with regard to the right to use a trade mark, the rights of the rival claimants fall to be resolved on the basis that within the area of conflict:

(a) the senior user prevails over the junior user;

(b) the junior user cannot deny the senior user's rights;

(c) the senior user can challenge the junior user unless and until it is inequitable for him to do so.”

¹ In the sense described in *Neutrogena Corporation and Another v Golden Limited and Another*, [1996] RPC 473

35. Ebac is the senior user in relation to any goods, albeit, by only a few months (the exact timeframe is not clear). However, in relation to the challenged goods, it is not even close. This is because Cottage have not made any use in respect of the challenged goods, its use being in respect of air conditioning units (some of which have a built-in dehumidifying function). Whilst the senior user can challenge the junior use (as here), it can only do so until it is inequitable to do so. It would be inequitable to do so in a scenario where the junior user had, by the relevant date, created its own independent goodwill. However, in this case Cottage have created no goodwill at all with regard to the challenged goods. I accept that Ebac may not have been able to challenge Cottage's use in respect of air-conditioning units with a built-in dehumidifier (because it would be inequitable to do so), but this does not prevent it from challenging the goods for which partial invalidation is sought. The claim succeeds.

36. The outcome is that Cottage's registration is partially invalidated and deemed never to have been made in respect of the challenged goods. The resulting specification must therefore be taken as:

Class 11: Portable air conditioners and dehumidifiers; but not including stand-alone dehumidifiers, not being part of air conditioning units

The opposition – section 5(4)(a) of the Act

37. I can deal with the first ground of opposition briefly. The claim is made on the basis of Cottage's own use which, on its own evidence, commenced in 2006. However, I have already found that Ebac was the senior user in respect of the goods challenged in the invalidation proceedings, goods which correspond to those for which Ebac has applied. Consequently, given what I have said about rival claims above, Cottage's claim under section 5(4)(a) must fail.

The opposition – section 5(1) of the Act

38. Section 5(1) of the Act prevents registration of a mark when it, and its goods, are identical to those of the earlier mark relied upon by an opponent. There is no dispute

that the marks in question are identical, consisting of the words **Kompact** and **KOMPACT** respectively². The matter, therefore, hinges on the goods.

39. Cottage's earlier mark is registered (following my invalidation finding) in respect of:

Class 11: Portable air conditioners and dehumidifiers; but not including stand-alone dehumidifiers, not being part of air conditioning units

40. Ebac seeks registration in respect of:

Class 11: Stand-alone dehumidifiers, not being part of air conditioning units

41. Cottage has argued its position on the basis that Ebac's goods are encompassed by its goods and are, therefore, identical. However, that is now a difficult position to adopt because the goods which are said to be encompassed have now been excluded from the ambit of Cottage's registration. The logical conclusion is, therefore, that identical goods are no longer in play. Whether there may be similar goods remaining (which Ebac deny) is not a matter to be determined under section 5(1) of the Act. The claim, and Cottage's opposition, must therefore fail. It may be that Cottage did not fully appreciate the impact of a successful partial invalidation of its mark upon its pleading in its opposition to the registration of Ebac's mark. However, that is not a matter for the tribunal who can only determine the claims that are before it.

Overall outcome

42. Subject to appeal:

i) Ebac's application 3179440 may proceed to registration in respect of

² The casing of the marks does not create a difference, as both could, notionally, be used in uppercase and, also, upper & lower case.

Class 11: Stand-alone dehumidifiers, not being part of air conditioning units.

- ii) Cottage's registration may remain registered, but only in respect of:

Class 11: Portable air conditioners and dehumidifiers; but not including stand-alone dehumidifiers, not being part of air conditioning units.

Costs

43. Ebac has been successful in both sets of proceedings and is, therefore, entitled to a contribution towards its costs. My assessment is set out below:

Official fee (for invalidation) - £200

Preparing a statement of case (in the invalidation) and counterstatement (in the opposition), and considering the cases presented by Cottage - £500

Filing evidence and written submissions (at the evidence stage) and considering those of Cottage - £1000

Total - £1700

44. I order Cottage Stores LLP to pay Ebac Industrial Products Ltd the sum of £1700 within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 30th day of August 2017

Oliver Morris
For the Registrar,
The Comptroller-General