

O/528/19

TRADE MARKS ACT 1994

**IN THE MATTER OF REGISTRATION NO. UK00003280473
IN THE NAME OF CK DIRECT DUCT & MAINTENANCE LTD
FOR THE FOLLOWING TRADE MARK:**

Ozocube

IN CLASSES 11 AND 40

AND

**AN APPLICATION FOR A DECLARATION OF INVALIDITY
UNDER NO. 502270 BY OZO INNOVATIONS LTD**

BACKGROUND AND PLEADINGS

1. CK Direct Duct & Maintenance Ltd (“the proprietor”) is the registered owner of the mark shown on the cover page of this decision (“the Contested Mark”). The Contested Mark was filed in the UK on 4 January 2018 and registered on 6 April 2018. It is registered for the following goods and services:

Class 11 Air purification apparatus; air purification installations; air purification machines; heating, ventilating, and air conditioning and purification equipment (ambient).

Class 40 Air purification; air purification apparatus (Rental of -); purification of air.

2. On 1 October 2018, Ozo Innovations Limited (“the applicant”) applied to have the Contested Mark declared invalid under section 47 of the Trade Marks Act 1994 (“the Act”). The applicant relies upon sections 5(4)(a) and 3(6) of the Act.

3. Under section 5(4)(a), the applicant relies on the following signs:

OZOCUBE

(“the First Sign”)

Ozöcube

(“the Second Sign”)

ozöcube

(“the Third Sign”)

4. The applicant claims that the First Sign and the Second Sign have been used throughout the UK since March 2015 and that the Third Sign has been used

throughout the UK since February 2016. The applicant claims that all three signs have been used during those periods for the following goods and services:

“(Goods) Air purification apparatus; air purification installations; air purification machines; heating, ventilating, and air conditioning and purification equipment (ambient).

(Services) Air purification; air purification apparatus (Rental of -); purification of air.”

5. The application based upon section 5(4)(a) is directed against the registration in its entirety.

6. The applicant states as follows regarding its application based upon section 3(6) of the Act:

“CKD was, and remains, aware of the Applicant for invalidation’s rights in the trade mark which is the subject of the trade mark registration in question having dealt with the Applicant for invalidation for several years, and acted as its distributor. It is clear that the registrant’s registration of the trade mark in question constitutes conduct which falls short of the standards of acceptable commercial behaviour. It is clear that the registrant’s behaviour can be understood to be, and evidence, dishonest intention to benefit from, and claim as its own, the Applicant for invalidation’s trade mark.”

7. The applicant also originally sought to rely upon section 60(3)(a) of the Act. However, this ground has since been withdrawn.

8. The proprietor filed a counterstatement denying the claims made. The proprietor also requested that the applicant provide proof of use of its mark, however, as this only applies to applications for invalidation based upon sections 5(1), 5(2) and 5(3) of the Act (and these are not pleaded in this case), this is not applicable for the purposes of these proceedings.

9. The applicant is represented by Keystone Law and the proprietor is unrepresented. The applicant filed evidence in the form of the witness statement of Rowan Gardener dated 28 January 2019. This was accompanied by written submissions dated 7 January 2019. The proprietor filed evidence in the form of the witness statement of Antonio Ricciardi dated 22 February 2016. The applicant filed written submissions in reply dated 9 May 2019. No hearing was requested and neither party filed written submissions in lieu. This decision is taken following a careful perusal of the papers.

EVIDENCE

Applicant's Evidence in Chief

10. The applicant's evidence in chief consists of the witness statement of Rowan Gardener dated 28 January 2019, which was accompanied by 19 exhibits. Ms Gardener is the Chief Executive Officer of the applicant; a position she has held since September 2014.

11. Ms Gardener explains that the applicant is in the business of developing chemical agents used to kill bacteria, fungi, yeast and viruses for hygiene in food-processing. Ms Gardener states that the applicant has focused on two product types; the first being gaseous ozone and the second electrolyzed water. It is the first of these two products that Ms Gardener states has been sold under the sign Ozocube.

12. Ms Gardener states that the applicant first became aware of Mr Ricciardi (who is the Director of the proprietor) in November 2014. Ms Gardener explains that Mr Ricciardi has been (or is) the director of three "C K Direct" companies. By November 2014, the development of the applicant's brand had already begun, and the applicant liaised with Mr Ricciardi regarding the establishment of a UK distribution chain for the applicant's goods. Ms Gardener has provided correspondence between the parties in early 2015 and early 2016 in which the applicant provided Mr Ricciardi with quotes or forwarded customers for "OC2" and "Ozone generator" units¹, which Ms Gardener

¹ Exhibits RG1-2, RG1-3, RG1-4 and RG1-5

states refers to goods sold under the Ozocube sign². Undated examples of these products have also been provided³.

13. Ms Gardener has provided an email dated 4 March 2016 to Mr Ricciardi which states:

“Thanks for the call and the email re the 12 Ozo Cube units. Quote is attached and reflects the modifications made to the OC unit, this includes upgraded stainless steel reactor plates – now 32G – interlock – full UK CE approval on mods-operation warning light.⁴”

14. Although the email refers to Ozo Cube units, the attached quotation does not itself refer to the sign Ozocube.

15. On 27 May 2016, the applicant sent Mr Ricciardi a draft Distribution Agreement for his review⁵. The agreement relates to kitchen extraction products and ozone monitoring systems. Clause 9.3 of that Agreement⁶ states:

“9.3 The Distributor shall not:

[...]

9.3.5 acquire any right, title or interest in or to any of the Trade Marks to the goodwill associated therewith or in or to any of the advertising, promotional or merchandising work or material for or relating to the Products and belonging to or developed by or for the Company. Notwithstanding the foregoing, if any such right, title or interest as aforesaid should be acquired by or arise in favour of the Distributor, the Distributor shall on request by the Company forthwith assign or otherwise transfer the same absolutely to the Company”

² Exhibit RG1-2 and the witness statement of Ms Gardener, para. 12

³ Exhibit RG1-2

⁴ Exhibit RG1-6

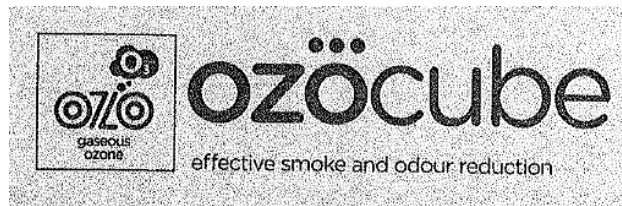
⁵ Exhibit RG1-7 and RG1-8

⁶ Exhibit RG1-8

16. The “Trade Marks” as defined in the draft Distribution Agreement include the following:



17. Ms Gardener has provided a copy of marketing materials⁷ that she states were produced by the applicant for Mr Ricciardi and were provided to him on or around 2 August 2016⁸. These describe the ozocube product as being for “effective smoke and odour reduction”. These display the sign shown in paragraph 16 above as well as the following signs:



18. In emails dated 31 January 2017 and 28 March 2017, the applicant forwarded emails to Mr Ricciardi regarding customers looking to purchase “ozocubes” and “ozocube units”⁹.

19. In November 2017, Mr Ricciardi’s contact at the applicant had been dismissed for gross misconduct. Mr Ricciardi’s contact had gone into production of his own branded

⁷ Exhibit RG1-10

⁸ Witness statement of Ms Gardener, para. 19

⁹ Exhibits RG1-12 and RG1-13

“ozocube” product and was selling this to Mr Ricciardi¹⁰. On 25 October 2017, the applicant wrote to Mr Ricciardi to notify him that his previous contact was no longer working for the applicant and that the applicant was no longer producing “ozone products”. The applicant then requested that all discontinued products be removed from Mr Ricciardi’s website¹¹. The applicant wrote to Mr Ricciardi again on 16 November 2017 to request that any products using the applicant’s logo or copyright images be removed from his website, including a link to the “ozocube” product¹².

20. Ms Gardener explains that an application for injunctive relief was made against Mr Ricciardi’s previous contact to prohibit his use of “OZO” and related marks. An injunction was granted on 21 February 2018 and this was served on both Mr Ricciardi and his businesses on 22 February 2018¹³.

21. Ms Gardener states that in July 2018, the applicant became aware of the registration which is the subject of these proceedings. The applicant wrote to Mr Ricciardi on 24 July 2018, 27 July 2018, 28 July 2018 and 30 July 2018 regarding his use of the sign in breach of the court order¹⁴. Ms Gardener states that she believes Mr Ricciardi has registered the mark which is the subject of the present application to circumvent the Court Order.

22. Ms Gardener has provided a selection of invoices dated between 1 June 2015 and 24 May 2017 addressed to a number of companies located throughout the UK, one of which was Mr Ricciardi’s company, and addressed to one company in Hungary. A number of these invoices refer to the Ozocube, although a number refer to Ozone generator and OC2¹⁵. The invoices amount to a total of approximately £70,000.

23. The applicant’s evidence in chief was accompanied by written submissions dated 7 January 2019. Whilst I do not propose to summarise those submissions here, I have taken them into consideration and will refer to them below where necessary.

¹⁰ Witness statement of Ms Gardener, para. 29 and 30

¹¹ Exhibit RG1-14

¹² Exhibit RG1-14

¹³ Witness statement of Ms Gardener, para. 32 and 33 and Exhibit RG1-15

¹⁴ Exhibit RG1-17

¹⁵ Exhibit RG1-19

The Proprietor's Evidence

24. As noted above, the proprietor's evidence consists of the witness statement of Antonio Ricciardi dated 22 February 2019, which is accompanied by 1 exhibit. Mr Ricciardi confirms that he is the Managing Director of the proprietor; a position he has held since January 2011.

25. Mr Ricciardi states that the proprietor is in the business of design, manufacture and installation of commercial kitchen equipment, extraction and odour control systems. He states that the Ozocube is, and has been, an important revenue stream for the proprietor¹⁶. Mr Ricciardi confirms that the Ozocube was a product originally purchased by the proprietor from the applicant; the last order placed with the applicant was in June or July 2016¹⁷. Mr Ricciardi states that it is his understanding that in November 2016, the applicant took the decision to no longer sell ozone products.

26. Mr Ricciardi was informed of this in October 2017¹⁸. Mr Ricciardi states that by this time he had already tendered for business and had orders which included the Ozocube amounting to £500,000. Mr Ricciardi states that he had to take action to avoid the financial impact to his business that would result from not being able to supply these goods.

27. Mr Ricciardi has confirmed that since 2016, 160 units of the Ozocube product have been sold amounting to revenue of £384,000¹⁹. Mr Ricciardi states that the applicant no longer has a commercial interest in the Ozocube because they have ceased to sell them. Mr Ricciardi has provided copies of his marketing material for the Ozocube²⁰. I note that the product itself does not bear the Ozocube mark (but rather the words CK Direct), but that the marketing material describes the product as the Ozocube.

¹⁶ Witness statement of Mr Ricciardi, para. 5

¹⁷ Witness statement of Mr Ricciardi, para. 6

¹⁸ Witness statement of Mr Ricciardi, para. 7

¹⁹ Exhibit TR1, page 9.

²⁰ Exhibit TR1, pages 5 to 7.

The Applicant's Evidence in Reply

28. The applicant filed written submissions in reply to the proprietor's evidence. Whilst I do not propose to summarise those submissions here, I have taken them all into consideration and will refer to them below as necessary.

DECISION

29. Section 47 of the Act states as follows:

"47. –

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

Where the trade mark was registered in breach of subsection (1)(b), (c) or (d) of that section, it shall not be declared invalid if, in consequence of the use which has been made of it, it has after registration acquired a distinctive character in relation to the goods or services for which it is registered.

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

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

(b) that there is an earlier right in relation to which the condition set out in section 5 (4) is satisfied

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

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

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

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

(c) the use conditions are met.

(2B) The use conditions are met if –

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

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

(2C) For these purposes –

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

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

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

(2E) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.

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

[...]

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

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

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

Section 5(4)(a)

30. Section 5(4)(a) of the Act has application in invalidation proceedings because of the provisions set out in section 47(2)(b) of the Act. By virtue of this section, a registered trade mark may be declared invalid if there is an earlier right which satisfies

the conditions under section 5(4) of the Act, provided the owner of the earlier right has not consented to the registration.

31. Section 5(4)(a) of the Act 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, 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”.

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

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

56. In relation to deception, the court must assess whether “a substantial number” of the Claimants’ customers or potential customers are deceived, but it is not necessary to show that all or even most of them are deceived (per *Interflora Inc v Marks and Spencer Plc* [2012] EWCA Civ 1501, [2013] FSR 21).”

Relevant date

33. 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, considered the relevant date for the purposes of s.5(4)(a) of the Act and stated as follows:

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

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

34. The first relevant date is clearly the date of the application in issue i.e. 4 January 2018 (“the First Relevant Date”). However, it is also necessary to consider the position at the date on which the proprietor started using the mark in issue. It is not entirely clear from the evidence when this was. However, it was presumably sometime around October 2017 when Mr Ricciardi was informed that he would no longer be able to obtain the goods from the applicant (“the Second Relevant Date”).

Goodwill

35. The House of Lords in *Inland Revenue Commissioners v Muller & Co’s Margarine Ltd* [1901] AC 217 (HOL) provided the following guidance regarding goodwill:

“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 customers. It is the one thing

which distinguishes an old-established business from a new business at its first start.”

36. 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 off claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent's reputation extends to the goods comprised in the applicant's specification of goods. The requirements of the objection itself are considerably more stringent than the enquiry under 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.”

37. 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.”

38. Ms Gardener states that the products sold under the Ozocube sign were gaseous ozone products. There is evidence of the applicant giving quotes for “OC2” and “Ozone generator” products which Ms Gardener states were sold under the Ozocube sign (a fact which is not disputed by Mr Ricciardi). Indeed, an example of a quote relating to these goods, the cover letter for which refers to the Ozocube sign, is provided by Ms Gardener to support this assertion. There are also references to the Ozocube specifically, in Ms Gardener’s evidence prior to both relevant dates. The invoices provided by the applicant (dated between June 2015 and May 2017) amount to approximately £70,000. I accept that these sales figures are not extensive. However, even a small business which has more than trivial goodwill can protect signs which are distinctive of that business under the law of passing off²¹. To my mind, it is clear that the applicant had acquired goodwill and that the First Sign was distinctive of that goodwill. There is much less evidence in relation to the Second Sign and the Third Sign. In any event, as the First Sign is identical to the Contested Mark (save for the use of capitalisation and title case which is irrelevant for these purposes) it is sufficient that the applicant has shown that the First Sign was distinctive of its goodwill.

39. It is clear from the evidence that, at some point, the applicant ceased to sell goods under the sign. The applicant informed the proprietor of this on 25 October 2017. Mr Ricciardi claims that the applicant stopped using the mark in October 2016. However, no further detail is provided as to why Mr Ricciardi believes this to be the case and the invoices provided in Ms Gardener’s evidence post-date October 2016. It seems to me that the applicant must have ceased to use the First Sign sometime between the end of May 2017 (the date of the latest invoice) and October 2017 (when the applicant informed the proprietor that they would no longer be selling the goods under the sign). This means that there was no more than 8 months and, possibly, less than 3 months between the date on which the applicant ceased to use the Ozocube sign and the date

²¹ *Stacey v 2020 Communications* [1991] FSR 49

on which the proprietor commenced use of the sign and/or applied for registration of the Contested Mark. To my mind, this fairly short period of time means that the applicant would still have held goodwill in the First Sign at the First Relevant Date. If this was the case, then it certainly would still have held goodwill in the First Sign at the Second Relevant Date (being the earlier of the two). I understand that the goods sold by the applicant were products used to eliminate odour, smoke or other gaseous substances from kitchens. These are, essentially, air purifiers. I have seen no evidence that the applicant provided any services. Consequently, I am satisfied that the applicant held a moderate degree of goodwill at both relevant dates in relation to air purification apparatus and that the First Sign was distinctive of that goodwill.

Misrepresentation and damage

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

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

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

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

And later in the same judgment:

“... for my part, I think that references, in this context, to “more than *de minimis*” and “above a trivial level” are best avoided notwithstanding this court's

reference to the former in *University of London v. American University of London* (unreported 12 November 1993). It seems to me that such expressions are open to misinterpretation for they do not necessarily connote the opposite of substantial and their use may be thought to reverse the proper emphasis and concentrate on the quantitative to the exclusion of the qualitative aspect of confusion.”

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

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

- (1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and
- (2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature 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.”

42. I have already found that the applicant held a moderate degree of goodwill at both relevant dates and that the First Sign was distinctive of that goodwill in relation to air purification apparatus. The First Sign is identical to the Contested Mark. The proprietor’s “Air purification apparatus”, “air purification installations” and “air purification machines” are either identical or highly similar to the “air purification apparatus”, for which the applicant had goodwill at the relevant date. The proprietor’s “heating, ventilating, and air conditioning and purification equipment (ambient)” will vary from being similar to a medium degree to identical to the applicant’s “air purification apparatus”. The proprietor’s services are complementary to and competitive with the applicant’s goods and are likely to overlap in trade channels. I consider them to be highly similar.

43. In *Specsavers v Asda* [2012] EWCA Civ 24, Kitchen LJ cited *Slazenger & Sons v Feltham & Co* (1889) 6 R.P.C. (Lindley J) as follows:

“It has long been established that if it is shown that a defendant has deliberately sought to take the benefit of a claimant’s goodwill for himself the court will not

‘be astute to say that he cannot succeed in doing that which he is straining every nerve to do.’”

44. It seems clear to me from Mr Ricciardi’s evidence that he intended to benefit from the applicant’s goodwill. He states in his evidence that sales of the applicant’s goods were an important income stream and, when he was informed that the applicant would no longer be selling these products that he had come to rely upon, he had to take action to avoid encountering financial difficulties. Mr Ricciardi states that he had tendered for sales of the applicant’s goods and he did not want to lose this business. This is, presumably, why he chose to continue selling the goods under the Ozocube mark rather than offering similar goods under an alternative mark. Taking this into account, as well as the identity of the Contested Mark and the First Sign and the similarity/identity between the goods and services, I am satisfied that a substantial number of the applicant’s customers, or potential customers, for its air purification goods would, at both relevant dates, have believed that the proprietor’s goods and services were connected with the applicant.

45. Damage could arise in a number of ways, as articulated by Warrington LJ in *Ewing v Buttercup Margarine Company Limited* [1917] 2 Ch. 1 (COA):

“To induce the belief that my business is a branch of another man’s business may do that other man damage in various ways. The quality of goods I sell, the kind of business I do, the credit or otherwise which I enjoy are all things which may injure the other man who is assumed wrongly to be associated with me.”

46. Given the similarity of the fields of activity in which the parties operate, there is potential for customers of the applicant to be lost to the proprietor. Indeed, it may be the case that some customers of the applicant are not aware that they have ceased to sell goods under the Ozocube sign at all and may still believe that they are buying the goods from the applicant through the proprietor.

47. The opposition under section 5(4)(a) succeeds in its entirety.

Section 3(6)

48. I now turn to the opposition under section 3(6) of the Act. Section 3(6) of the Act has application in invalidation proceedings because of the provisions set out in section 47(1) of the Act. By virtue of this section, a registered trade mark may be declared invalid if it has been registered in breach of section 3 of the Act.

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

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

50. The law in relation to section 3(6) of the Act (“bad faith”) was summarised by Arnold J. in *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited* [2012] EWHC 1929 (Ch), as follows:

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

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

132. Secondly, although the relevant date is the application date, later evidence is relevant if it casts light backwards on the position as at the application date: see *Hotel Cipriani Srl v Cipriani (Grosvenor Street) Ltd* [2008] EWHC 3032 (Ch), [2009] RPC 9 at [167] and cf. Case C-259/02 *La Mer Technology Inc v*

Laboratoires Goemar SA [2004] ECR I-1159 at [31] and *Case C-192/03 Alcon Inc v OHIM* [2004] ECR I-8993 at [41].

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

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

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

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

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

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

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

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

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

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

45. In such a case, the mark does not fulfil its essential function, namely that of ensuring that the consumer or end-user can identify the origin of the product or service concerned by allowing him to distinguish that

product or service from those of different origin, without any confusion (see, inter alia, Joined Cases C-456/01 P and C-457/01 P *Henkel v OHIM* [2004] ECR I-5089, paragraph 48)."

51. The relevant date under section 3(6) is the date of the application for the Contested Mark i.e. 4 January 2018.

52. In deciding the section 3(6) ground, I must determine whether the applicant has proved on the balance of probabilities that in registering the Contested Mark for the goods and services in issue, the conduct of the proprietor, judged by the ordinary standards of honest people, was somehow dishonest or otherwise fell short of the standards of acceptable commercial behaviour.

53. The proprietor is a company, not Mr Ricciardi himself. However, Mr Ricciardi is a director of that company. Professor Ruth Annand, sitting as the Appointed Person, held in *Joseph Yu v Liaoning Light Industrial Products Import and Export Corporation* (BL O/013/15) that:

"22. [A] claim of bad faith is not avoided by making an application in the name of an entity that is owned or otherwise controlled by the person behind the application."

54. I am satisfied that Mr Ricciardi's motives can be attributed to the proprietor.

55. As noted above, it seems clear to me that there was an intention on Mr Ricciardi's part to retain customers generated by the applicant. He wanted to avoid losing the financial income that was being generated by sales of the applicant's goods. His plan to avoid this, was to continue to sell goods under the sign that had previously been used by the applicant. The applicant had sent Mr Ricciardi a Distribution Agreement which made it clear that he could not acquire any right to the applicant's trade marks. I accept that there is no evidence that the Distribution Agreement was ever signed by Mr Ricciardi. However, he has not disputed the fact that he was acting as a distributor for the applicant. I acknowledge that Mr Ricciardi states that the applicant had notified him that they had ceased to use the sign Ozocube and he, therefore, considered it

free to be registered by him. However, Mr Ricciardi's view of whether he acted correctly or not is irrelevant to the decision I must make. Rather, I must assess the applicant's behaviour and state of knowledge by reference to the ordinary standards of honest people. Mr Ricciardi was a distributor for the applicant. There was a commercial relationship between the parties. This decision to apply for a trade mark to continue business using a mark in relation to goods for which Mr Ricciardi had generated customers by virtue of that commercial relationship is not consistent with a party acting in good faith. Mr Ricciardi ought to have been aware of the potential consequences for customers of the applicant to assume that there was a connection between the businesses or, more likely, that Mr Ricciardi was simply continuing in his role as distributor for the applicant. I consider the proprietor's conduct to fall below the standards of acceptable commercial behaviour judged by the ordinary standards of honest people.

56. The application under section 3(6) succeeds in its entirety.

CONCLUSION

57. The application for invalidity succeeds in its entirety and the Contested Mark is hereby declared invalid in respect of all goods and services for which it is registered. Under section 47(6) of the Act, the registration is deemed never to have been made.

COSTS

58. The applicant has been successful and is entitled to a contribution towards its costs, based upon the scale published in Tribunal Practice Notice 2/2016. In the circumstances, I award the applicant the sum of **£1,200** as a contribution towards the costs of proceedings. The sum is calculated as follows:

Preparing a statement and considering the proprietor's statement	£300
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Preparing evidence, considering the proprietor's evidence and preparing submissions	£700
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in reply

Official fee

£200

Total

£1,200

59. I therefore order CK Direct Duct & Maintenance Ltd to pay Ozo Innovations Limited the sum of **£1,200**. This sum should be paid within 14 days of the expiry of the appeal period or, if there is an appeal, within 14 days of the conclusion of the appeal proceedings.

Dated 6 September 2019

S WILSON

For the Registrar