

O/826/21

TRADE MARKS ACT 1994

**IN THE MATTER OF REGISTRATION UK00003473375
IN THE NAME OF THE ELITE WATCH COMPANY LTD
FOR THE TRADE MARK**

BYTTRON

IN CLASS 9

AND

**THE APPLICATION FOR A DECLARATION OF INVALIDITY THERETO
UNDER NUMBER 503490 BY SHENZHEN ZESTNATION TECHNOLOGY CO.,
LTD**

BACKGROUND AND PLEADINGS

1. The Elite Watch Company Ltd ('the Proprietor') applied to register the trade mark shown on the front page of this decision ('the contested mark') in the UK on 9 March 2020. It was registered on 9 August 2020 for the following goods:

Class 9 *Smartphones in the shape of a watch; Watchbands that communicate data to smartphones; 2-in-1 laptops; Watchbands that communicate data to other electronic devices; Watchbands that communicate data to smartphones; Chargers for smartphones; Covers for smartphones; Docking stations for smartphones; Power supplies for smartphones; Protective films adapted for smartphones; Watchbands that communicate data to smartphones; Wearable smart phones; Smart bracelets; Smart door locks; Smart glasses; Smart phones; Smart speakers; Smart watches; Smartbands; Smartwatches.*

2. On 7 December 2020, Shenzhen Zestnation Technology Co. Ltd. ('the Cancellation Applicant') applied to have the contested mark declared invalid under section 47 of the Trade Marks Act 1994 ('the Act'). The application is based upon sections 5(2)(a) and 5(4)(a) of the Act.

The section 5(2)(a) ground

3. The Cancellation Applicant relies on the following earlier registration for its invalidation under the section 5(2)(a) ground:

EUTM: 018033742

BYTTRON

Filing date: 8 March 2019

Date of entry in Register: 23 August 2019.

Class 9

Rechargeable electric batteries; Wires, electric; Materials for electricity mains [wires, cables]; USB cables for cellphones; Audio- and video-receivers; Covers for electric outlets; Plug adaptors; Batteries, electric; wireless chargers; Readers [data processing equipment]; Cabinets for loudspeakers; Horns for loudspeakers; USB flash drives; Computer peripheral devices; Computer memory devices; Computer hardware; Computer keyboards; Mouse [computer peripheral]; USB cables; Computer cables; Data cables; Electric cables and wires; USB hubs; Computer network hubs; Computer network switches; Computer network routers.

The Cancellation Applicant relies on all of its goods for the s5(2)(a) ground and is seeking invalidation of the contested mark for all of the goods in respect of which it is registered.

The section s(4)(a) ground

4. The Cancellation Applicant claims that it has an earlier unregistered right¹ in that its earlier mark BYTTRON has been used in the UK since 1 November 2019 for *smart watches*. Invalidation on this ground is sought in respect of the Proprietor's *smart watches* only. The Cancellation Applicant includes the following at Q4 of its Application for Invalidation:

¹ The earlier mark is registered for the goods enumerated at paragraph 3, but it has not been registered in respect of *smart watches*.

Section 5(4) TMA provides that a trade mark shall not be registered where someone else could rely on an earlier right to prevent its use.

The claimant submits that they own goodwill in the word mark BYTTRON in relation to the above-mentioned goods, which is protected by the law of passing off in the UK. By seeking to register BYTTRON, the Applicant has made a misrepresentation to the public which is likely to lead the public to believe that the goods offered by the Applicant are those of or related to the owner of the earlier's right. The Opponent has suffered and/or is likely to suffer damage as a result of the misrepresentation.

Please see enclosed the evidence which show that the earlier right has been used in the UK since november 2019 for the goods Smartwatches

5. The Proprietor filed a Defence and Counterstatement denying the claims under sections 5(2)(a) and 5(4)(a) stating:

The cancellation document submitted states goods/services not covered in the prior mark which is only covered in the mark I registered. As before the goods/services of the two marks share no similarities.

6. The Cancellation Applicant is represented by Ms Isabelle Bertaux; the Proprietor represents itself.
7. Evidence and written submissions in lieu of a hearing have been filed by the Cancellation Applicant only.
8. The following decision has been made after careful consideration of the papers before me.

EVIDENCE

9. The Cancellation Applicant's evidence comes from Ms Isabelle Bertaux, of IBE Avocats. Her Witness Statement is dated 21 June 2021. The body of her statement simply repeats the points made at Q4 of the Application for Invalidation. There are two Exhibits.
10. Exhibit 1 comprises copies of 3 orders from Amazon for Byttron fitness trackers dated: 3 November 2019 (2 orders) and 1 November 2019. Exhibit 2 comprises copies of 7 orders from Amazon for Byttron fitness trackers dated: 17 December

2019; 18 December 2019 (2 orders); 19 December 2019; 20 December 2019; 21 December 2019 (2 orders). All orders placed by UK based purchasers.

DECISION

Legislation

Section 47

11. Section 47 of the Act states:

“47. (1) [...]

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

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

(b) 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.

(2ZA) [...]

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

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

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

(c) the use conditions are met.

2B) The use conditions are met if –

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

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

(ii) within the period of 5 years ending with the date of filing of the application for registration of the later trade mark or (where applicable) the date of the priority claimed in respect of that application where, at that date, the five year period within which the earlier trade mark should have been put to genuine use as provided in section 46(1)(a) has expired, or

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

....

(5) Where the grounds of invalidity exist 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.

Section 5(2)(a) of the Act and related case law

12. Section 5(2)(a) of the Act states:

“A trade mark shall not be registered if because—

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

(b) ...

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

13. The following principles are derived from the decisions of the CJEU² in:

Sabel BV v Puma AG, Case C-251/95; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97; *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97; *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98; *Matratzen Concord GmbH v OHIM*, Case C-3/03; *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C120/04; *Shake di L. Laudato & C. Sas v OHIM*, Case C-334/05P; and *Bimbo SA v OHIM*, Case C-591/12P

The principles:

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

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

² Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Trade Marks Act relied on in these proceedings are derived from an EU Directive. This is why this decision continues to make reference to the trade mark case-law of EU courts.

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

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

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

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

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

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

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

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

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

Comparison of goods and services

14. Similarity of goods and services – Nice classification

Section 60A of the Act provides:

“(1) For the purpose of this Act goods and services-

(a) are not to be regarded as being similar to each other on the ground that they appear in the same class under the Nice Classification.

(b) are not to be regarded as being dissimilar from each other on the ground that they appear in different classes under the Nice Classification.

(2) In subsection (1), the ‘Nice Classification’ means the system of classification under the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, which was last amended on 28 September 1975.”

15. I must therefore be mindful of the fact that the appearance of respective goods in the same class is not a sufficient condition for similarity between those goods or services.

16. The General Court in *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T- 133/05 held that:

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

17. The Tribunal may group goods (or services) together for the purposes of assessment:

Separode Trade Mark BL O-399-10 (AP):

“The determination must be made with reference to each of the different species of goods listed in the opposed application for registration; if and to the extent that the list includes goods which are sufficiently comparable to be assessable for registration in essentially the same way for essentially the same reasons, the decision taker may address them collectively in his or her decision.”

18. The CJEU in *Canon*, Case C-39/97, stipulates that all relevant factors relating to the parties' goods and services must be taken into account:

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

19. Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281³, identified the following factors for assessing similarity of the respective goods and services:

- (a) The respective uses of the respective goods or services;
- (b) The respective users of the respective goods or services;
- (c) The physical nature of the goods or acts of service;
- (d) The respective trade channels through which the goods or services reach the market;
- (e) In the case of self-serve consumer items, where in practice they are respectively found, or likely to be found, in supermarkets and, in particular, whether they are, or are likely to be, found on the same or different shelves;
- (f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.

20. Goods or services will be found to be in a competitive relationship only where one is substitutable for the other.⁴

21. In *Kurt Hesse v OHIM*, Case C-50/15 P, the CJEU stated that complementarity is an autonomous criterion capable of being the sole basis for the existence of similarity between goods [or services]. In *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-325/06, the General Court stated that “complementary” means:

³ *British Sugar Plc v James Robertson & Sons Ltd* [1996] R. P. C. 281, pp 296-297.

⁴ *Lidl Stiftung & Co KG v EUIPO*, Case T-549/14.

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

22. The goods to be compared are as follows:

<p>Cancellation Applicant's mark: EUTM: 018033742 BYTTRON</p>	<p>Proprietor's mark: UK00003473375 BYTTRON</p>
<p>Class 9</p> <p><i>Rechargeable electric batteries; Wires, electric; Materials for electricity mains [wires, cables]; USB cables for cellphones; Audio- and video-receivers; Covers for electric outlets; Plug adaptors; Batteries, electric; wireless chargers; Readers [data processing equipment]; Cabinets for loudspeakers; Horns for loudspeakers; USB flash drives; Computer peripheral devices; Computer memory devices; Computer hardware; Computer keyboards; Mouse [computer peripheral]; USB cables; Computer cables; Data cables; Electric cables and wires; USB hubs; Computer network hubs; Computer network switches; Computer network routers.</i></p>	<p>Class 9</p> <p><i>Smartphones in the shape of a watch; Watchbands that communicate data to smartphones⁵; 2-in-1 laptops; Watchbands that communicate data to other electronic devices; Watchbands that communicate data to smartphones; Chargers for smartphones; Covers for smartphones; Docking stations for smartphones; Power supplies for smartphones; Protective films adapted for smartphones; Watchbands that communicate data to smartphones; Wearable smart phones; Smart bracelets; Smart door locks; Smart glasses; Smart phones; Smart speakers; Smart watches; Smartbands; Smartwatches.</i></p>

⁵ This term appears 3 times in the specification as registered.

23. The Cancellation Applicant has included the following table at paragraph 14 of its written submissions; indicating that the goods marked in red are identical:

Byttron	Byttron	Comments
Rechargeable electric batteries; Wires, electric; Materials for electricity mains [wires, cables]; USB cables for cellphones ; Audio- and video-receivers; Covers for electric outlets; Plug adaptors; Batteries, electric; wireless chargers ; Readers [data processing equipment]; Cabinets for loudspeakers; Horns for loudspeakers; USB flash drives; Computer peripheral devices; Computer memory devices; Computer hardware; Computer keyboards; Mouse [computer peripheral]; USB cables; Computer cables; Data cables; Electric cables and wires; USB hubs; Computer network hubs; Computer network switches; Computer network routers.	Smartphones in the shape of a watch; Watchbands that communicate data to smartphones ; 2-in-1 laptops; Watchbands that communicate data to other electronic devices; Watchbands that communicate data to smartphones; Chargers for smartphones ; Covers for smartphones; Docking stations for smartphones; Power supplies for smartphones; Protective films adapted for smartphones; Watchbands that communicate data to smartphones; Wearable smart phones; Smart bracelets; Smart door locks; Smart glasses; Smart phones; Smart speakers; Smart watches; Smartbands; Smartwatches.	identity

24. The Cancellation Applicant submits at paragraph 15, however, that the goods in red font are 'highly similar'. It is presumed that this is an error and the wording of the subsequent paragraph bears this out:

For The Registered Proprietor's other goods, they are highly similar to the earlier mark's goods as they concern electronic devices “

25. The Cancellation Applicant's submissions on the goods comparison are unparticularised; it does not specify *which* of the Proprietor's goods are identical or highly similar to *which* of its own goods.

26. I will make my comparison with reference to the Proprietor's goods.

27. I group together the following of the Proprietor's goods, being devices for charging smartphones:

Chargers for smartphones; Power supplies for smartphones; Docking stations for smartphones.

I compare these goods to the Cancellation Applicant's *wireless chargers*. The Proprietor's goods will include wireless versions. Goods falling under these terms will therefore be included in the Cancellation Applicant's broader term *wireless chargers*. Consequently, according to the principle in *Meric*, I find the Proprietor's goods to be identical to *wireless chargers*.

28. However, I do not find the term, marked in red font, *watchbands that communicate data to smartphones*, to be identical with any of the terms marked in red font in the Cancellation Applicant's specification.

29. I group together the following of the Proprietor's goods:

Watchbands that communicate data to smartphones; Watchbands that communicate data to other electronic devices; (Watchbands that communicate data to smartphones; Watchbands that communicate data to smartphones;)⁶ Smart bracelets; Smart watches; Smartbands; Smartwatches.

⁶ The term *Watchbands that communicate data to smartphones* appears 3 times in the specification as registered.

All of these goods are electronic devices, worn on the wrist, which have touchscreens and use apps. Their functions often include recording the user's heart rate and other physiological features. These devices are capable of communicating with smartphones or other electronic devices.

30. I compare these goods against the Cancellation Applicant's *computer hardware*. The term *computer hardware* covers items of hardware integral to computers to enable them to function, or to enhance their functionality, and will include, *inter alia*, goods such as computer motherboards, chipsets and monitors, as well as computers themselves. The respective goods will therefore differ in purpose. Methods of use will also be different. The Proprietor's goods are, in most cases, complete standalone items⁷ for immediate use (albeit they may have capacity to interact with other electronic devices), whereas the Cancellation Applicant's goods are more often items which are integral to, or used in conjunction with, computers. Purchasers of the Proprietor's goods will be predominantly members of the general public. I consider purchasers of the Cancellation Applicant's goods, on the other hand, to be a mixture of both general and professional public; components will most often be purchased by the professional public, e.g. manufacturers of computers, and laptops are items often purchased by the general public. There will be some user overlap to the extent that some consumers of *smart watches/bands/bracelets* will also purchase *computer hardware*. The physical nature of the respective goods will differ. Trade channels will overlap somewhat; some retailers may sell *computer hardware* alongside the Proprietor's goods. I recognise, however, that some retailers might specialise in *smart watches/bands/bracelets* without also offering *computer hardware*. The respective goods are not substitutable for one another and are, therefore, not in a competitive relationship. There is, in my view, some measure of complementarity to the extent that all *smart watches/bands/bracelets* require some sort of computer hardware (e.g. chipsets, processors) and the public may presume that

⁷ It is acknowledged, however, that, strictly speaking, computers themselves fall under the term *computer hardware*.

the goods originate from the same undertaking. I conclude that there is a low-medium level of similarity between the respective goods.

31. I group together the following of the Proprietor's goods, all being smart phones of one sort or another:

Smartphones in the shape of a watch; Wearable smart phones; Smart phones

32. I compare these goods against the Cancellation Applicant's *computer hardware*. *Smartphones* are mobile telephones which have additional functions including, *inter alia*: internet access; camera and video; and the ability to play music. Their purpose and method of use therefore differ from those of the Cancellation Applicant's goods⁸. The average consumers of the Proprietor's goods will be predominantly the general public. There will be some user overlap to the extent that *smart phone* users may also purchase *computer hardware*. The physical nature of the respective goods will differ. The goods differ in that the Proprietor's goods are complete goods whereas *computer hardware* often comprises components or ancillary items (with the exception of computers themselves, which are complete goods covered by the term *computer hardware*). Trade channels will overlap to the extent that some retailers may sell *computer hardware* alongside the Proprietor's goods. I do not find the goods to be in competition with one another. There is complementarity to the extent that all *smartphones* require computer hardware in order to function, and the public may presume that the goods originate from the same undertaking. I conclude that there is a low-medium level of similarity between the respective goods.

33. I also compare the goods enumerated at [31] to the Cancellation Applicant's *USB cables for cellphones*. *USB cables for cellphones* are cables which enable electronic devices, including the Proprietor's goods, to be connected to chargers or other devices. The purpose and method of use of the respective goods will therefore differ. There will be user overlap because purchases of smartphones necessarily include a USB cable. Consequently, trade channels coincide. The

⁸ The purpose and method of use for *computer hardware* has been addressed in paragraph [30].

physical nature of the goods will differ; the Cancellation Applicant's goods comprise insulated wires with electronic connectors at each end, whereas the Proprietor's goods are, effectively, miniature computers. The goods are complementary; *smartphones* require USB cables in order to function and the average consumer will presume the respective goods to originate from the same undertaking. There is no competition between the goods. I therefore conclude that there is a low-medium level of similarity between the respective goods.

34. I now compare the Proprietor's *2-in-1 laptops* against the Cancellation Applicant's *computer hardware*. Laptops, of all kinds, are items of *computer hardware*. Following *Meric*, the Proprietor's goods are therefore identical to the Cancellation Applicant's goods.

35. I group the following of the Proprietor's goods together, both being accessories to protect smartphones from damage:

Covers for smartphones; Protective films adapted for smartphones

36. I compare these goods against the Cancellation Applicant's *USB cables for cellphones*. The Proprietor's goods comprise coverings for smartphones to protect them from damage. The purpose and method of use of the respective goods therefore differ. There will be user overlap; *smartphones* necessarily come with USB cables and the Proprietor's goods will be purchased by users of *smartphones*. Trade channels will coincide; both sets of goods are accessories/parts and fittings for *smartphones* and will be sold side-by-side in retail outlets. The physical nature of the goods will differ. The goods are not in competitive relationship. There is no complementarity because neither good is necessary for the other. I therefore conclude that there is a low-medium level of similarity between the respective goods.

37. I now compare the Proprietor's *smart speakers* against the Cancellation

Applicant's *computer hardware*⁹. *Smart speakers* are voice-activated devices with features including: playing music; the ability to answer questions such as 'what is the weather like tomorrow?'; and the ability to control other smart devices in the home, e.g. lighting. Their purpose and method of use therefore differ from those of the Cancellation Applicant's goods. The average consumers of the Proprietor's *smart speakers* will be predominantly the general public. There will be some user overlap to the extent that certain 'tech savvy' *smart speaker* users may also purchase *computer hardware*. The physical nature of the respective goods is different. Trade channels will overlap; *smart speakers* may well be sold alongside *computer hardware* in the same retail outlet. The respective goods are not in a competitive relationship. There is complementarity; all *smart speakers* require computer hardware in order to function, and the public may presume that the goods originate from the same undertaking. I conclude that there is a low-medium level of similarity between the respective goods.

38. I now compare the Proprietor's *smart glasses* against the Cancellation

Applicant's *computer hardware*. *Smart glasses* are wearable computer glasses which provide the wireless functionality of smartphones; either touch-controlled or hands-free. The purpose and method of use of the respective goods will therefore differ. The average consumers of *smart glasses* will, in most cases, be members of the general public. There will be user overlap; users of *smart glasses* users may also purchase *computer hardware* e.g. laptops. The physical nature of the respective goods is very different. Trade channels will overlap; *smart glasses* may well be sold alongside *computer hardware* in the same retail outlet. The respective goods are not in a competitive relationship. There is complementarity; all *smart glasses* require computer hardware in order to function, and the public may presume that the goods originate from the same undertaking. I find a low-medium level of similarity between the respective goods.

⁹ I have not compared *smart speakers* to the Cancellation Applicant's terms *cabinets for loudspeakers* or *horns for loudspeakers* because loudspeakers comprise the type of large speakers used as part of a PA system, whereas *smart speakers* are standalone products like Amazon's 'Alexa'. This comparison, in my view, would have yielded a lower level of similarity than the comparison that I have made between the Proprietor's goods and *computer hardware*.

39. I now compare the Proprietor's *smart door locks* against the Cancellation Applicant's *computer hardware*. *Smart door locks* are electronic locking systems used by way of a PIN code, key card, remote fob or smartphone app. The purposes of the respective goods are therefore very different. The average consumers of smart door locks will, in my view, most often be the professional public to secure business premises; however, it is recognised that a number of the general public may also seek this technology for their homes. There will be user overlap; business purchasers of *smart door locks* will also purchase *computer hardware*. The physical nature of the respective goods will differ. I consider that an overlap in trade channels is possible, though not usual. There is no competition between the goods. Although *smart door locks* require some sort of *computer hardware* to function, I do not consider it likely that the average consumer would presume both sets of goods to originate from the same undertaking. There is therefore no complementarity between the goods. I conclude that the respective goods are dissimilar.

Average consumer and the purchasing act

40. The average consumer is deemed to be reasonably well-informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer, Case C-342/97*.

41. In *Hearst Holdings Inc*¹⁰ Birss J. (as he then was) described the average consumer thus:

“60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The word “average” denotes that the person is typical. The term “average” does

¹⁰ *Hearst Holdings Inc Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch).

not denote some form of numerical mean, mode or median.”

42. I consider that the average consumer of the Proprietor’s goods will, in most cases, be the general public. The goods would be purchased either online or from physical shops after viewing product information online or inspecting the goods. There will be an aural aspect to the purchasing process where purchases are made after seeking advice from retail staff or after word-of-mouth recommendations. I consider the average consumer to pay at least a medium level of attention when purchasing the goods. Factors considered will include, *inter alia*, the product’s functionality and its compatibility with the consumer’s existing smart products.

43. In my view, the average consumer of the Cancellation Applicant’s goods will, in many cases, be the professional purchaser, with a number of purchases being made by the general public. The purchase will be primarily visual; goods would be purchased either online or from physical shops after viewing product information online or inspecting the goods. There will also be an aural aspect in the case of certain goods, e.g. *computer hardware*; where the purchase might not conclude until advice or recommendation has been sought from retail staff. These goods are often components or ancillary items to be used in conjunction with other goods, rather than standalone ready-to-use items (with the exception of laptops, of course) . I therefore find that these goods will be more of a considered purchase. Prospective purchasers will exercise a measure of caution because the goods need to be compatible with the goods for which they are intended as a component or ancillary device. I consider that the average consumer of these goods will pay a level of attention in the medium to high range.

Comparison of the marks

44. The respective marks are unequivocally identical.

Distinctiveness of the identical marks

45. *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97 the CJEU stated that:

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

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

46. ‘BYTTRON’ will be perceived by the average consumer as an invented word. The mark neither describes, nor alludes to, the goods and services in respect of which it is registered. Consequently, the marks are inherently distinctive to a high degree.

Likelihood of confusion

47. Confusion can be direct or indirect. Mr Iain Purvis Q. C., as the Appointed Person, explained the difference in the decision of *L.A. Sugar Limited v By Back Beat Inc*¹¹. Direct confusion occurs when one mark is mistaken for another. In *Lloyd Schuhfabrik*¹², the CJEU recognised that the average consumer rarely encounters the two marks side by side but must rely on the imperfect picture of them that he has in his mind. Direct confusion can therefore occur by imperfect recollection when the average consumer sees the later mark before him but mistakenly matches it to the imperfect image of the earlier mark in his ‘mind’s eye’. Indirect confusion occurs when the average consumer recognises that the later mark is indeed different from the earlier mark, but, concludes that the later mark is economically linked to the earlier mark by way of being a ‘sub brand’, for instance.

48. Before arriving at my decision, I must make a global assessment taking into account all of the relevant factors, including the principles a) – k) set out above at [13].

49. When considering all relevant factors ‘in the round’, I must bear in mind that a greater degree of similarity between goods *may* be offset by a lesser degree of similarity between the marks, and vice versa.

50. My comparison of the respective goods has determined that:

- The following of the Proprietor’s goods are identical to the Cancellation Applicant’s goods:

Chargers for smartphones; Power supplies for smartphones; Docking stations for smartphones; 2-in-1 laptops

¹¹ Case BL O/375/10 at [16].

¹² *Lloyd Schuhfabrik Meyer and Co GmbH v Klijsen Handel BV* (C-34297) at [26].

- The following of the Proprietor's goods have a low-medium level of similarity to the Cancellation Applicant's goods:

Watchbands that communicate data to smartphones; Watchbands that communicate data to other electronic devices; (Watchbands that communicate data to smartphones; Watchbands that communicate data to smartphones;)¹³ Smart bracelets; Smart watches; Smartbands; Smartwatches; Smartphones in the shape of a watch; Wearable smart phones; Smart phones; Covers for smartphones; Protective films adapted for smartphones; Smart speakers; Smart glasses.

- The following of the Proprietor's goods are dissimilar to the Cancellation Applicant's goods:

Smart door locks.

51. I find that, for the goods that I have found to have some level of similarity with the Cancellation Applicant's goods, a significant proportion of average consumers would confuse the marks. The marks are self-evidently identical. The Proprietor's goods, with the exception of *smart door locks*, bear some level of similarity to the Cancellation Applicant's goods, ranging from identical to a low-medium level of similarity. The earlier mark would be perceived by the average consumer as an invented word and is therefore distinctive to a high degree. The high level of distinctiveness is such that a significant proportion of the average consumer is unlikely to conclude that the identity of the marks is a coincidence. There is a likelihood of confusion. I find this to be the case notwithstanding that the goods will be purchased with at least a medium degree of attention.

Section 5(2)(a) outcome

¹³ The term *Watchbands that communicate data to smartphones* appears 3 times in the specification as registered.

52. The Application for Invalidation under section 5(2)(a) of the Act succeeds for all goods except *smart door locks*.

Section 5(4)(a) of the Act: Passing off

53. For completeness, I now consider the Application for Invalidation under section 5(4)(a) of the Act.

54. Section 5(4)(a) states:

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

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

(b)...

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

55. The three elements which the Cancellation Applicant must show are well known. 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)."

56. Guidance is given in paragraphs 184 to 188 of Halsbury's Laws of England (4th Edition) Vol. 48 (1995 reissue) 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 Page 22 of 26 with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action.”

57. The concept of goodwill was explained in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 at 223:

“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.”

58. The Proprietor has not filed any evidence that it has used its mark. This means that the position must be assessed at the date when the Proprietor applied to register its trade mark: in this case, 9 March 2020¹⁴. As stated earlier, the Cancellation Applicant had used its mark in respect of *smart watches* since 1 November 2019, i.e. just over four months at the relevant date, which is a short period of time. In *Smart Planet Technologies, Inc. v Rajinda Sharm* [BL O/304/20], Mr Thomas Mitcheson QC, sitting as the Appointed Person, reviewed

¹⁴ *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O/410/11, Mr Daniel Alexander QC, sitting as the Appointed Person.

the following authorities about the establishment of goodwill for the purposes of passing-off: Starbucks (HK) Ltd v British Sky Broadcasting Group Plc [2015] UKSC 31, paragraph 52, Reckitt & Colman Product v Borden [1990] RPC 341, HL and Erven Warnink B.V. v. J. Townend & Sons (Hull) Ltd [1980] R.P.C. 31. After reviewing these authorities Mr Mitcheson concluded that:

“.. a successful claimant in a passing off claim needs to demonstrate more than nominal goodwill. It needs to demonstrate significant or substantial goodwill and at the very least sufficient goodwill to be able to conclude that there would be substantial damage on the basis of the misrepresentation relied upon.”

59. After reviewing the evidence relied on to establish the existence of a protectable goodwill, Mr Mitcheson found as follows:

“The evidence before the Hearing Officer to support a finding of goodwill for Party A prior to 28 January 2018 amounted to 10 invoices issued by Cup Print in Ireland to two customers in the UK. They were exhibited to Mr Lorenzi’s witness statement as exhibit WL-10. The customers were Broderick Group Limited and Vaio Pak.

37. The invoices to Broderick Group Limited dated prior to 28 January 2018 totalled €939 and those to Vaio Pak €2291 for something approaching 40,000 paper cups in total. The invoices referred to the size of “reCUP” ordered in each case. Mr Lorenzi explained that Broderick Group Limited supply coffee vending machines in the UK. Some of the invoices suggested that the cups were further branded for onward customers e.g. Luca’s Kitchen and Bakery.

38. Mr Rousseau urged me not to dismiss the sales figures as low just because the product was cheap. I have not done so, but I must also bear in mind the size of the market as a whole and the likely impact upon it of selling 40,000 cups. Mr Lorenzi explained elsewhere in his statement that the UK market was some 2.5 billion paper coffee cups per year. That indicates what a tiny proportion of the market the reCUP had achieved by the relevant date.

39. Further, no evidence was adduced from Cup Print to explain how the business in the UK had been won. Mr Rousseau submitted to me that the average consumer in this case was the branded cup supplier company, such as Vaio Pak or Broderick Group. No evidence was adduced from either of those companies or from any other company in their position to explain what goodwill could be attributed to the word reCUP as a result of the activities and sales of Cup Print or Party A prior to 28 January 2018.

40. Various articles from Packaging News in the period 2015-2017 had been exhibited but again no attempt had been made to assess their impact on the average consumer and these all pre-dated the acquisition of the goodwill in the UK. I appreciate that the Registry is meant to be a less formal jurisdiction than, say, the Chancery Division in terms of evidence, but the evidence submitted in Page 24 of 26 this case by Party A as to activities prior to 28 January 2018 fell well short of what I consider would have been necessary to establish sufficient goodwill to maintain a claim of passing off.

41. This conclusion is fortified by the submissions of Party B relating to the distinctiveness of the sign in issue. Recup obviously alludes to a recycled, reusable or recyclable cup, and Party B adduced evidence that other entities around the world had sought to register it for similar goods around the same time. The element of descriptiveness in the sign sought to be used means that it will take longer to carry out sufficient trade with customers to establish sufficient goodwill in that sign so as to make it distinctive of Party A's goods."

60. 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 goodwill and reputation may be small. In *Lumos Skincare Limited v Sweet Squared Limited and others* [2013] EWCA Civ 590, the Court of Appeal in England and Wales held that the defendant had passed off its LUMOS nail care products as the claimant's goods. The claimant had been selling LUMOS anti-ageing products since 2007. The goods retailed at prices between £40 and £100 per bottle. The Claimant's sales were small, of the order of £2,000 per quarter

from early 2008 to September 2009, rising to £10,000 per quarter by September 2010. The vast majority of these sales were to the trade, including salons, clinics and a market. As at the relevant date (October 2010) the Claimant had sold to 37 outlets and by that date it was still selling to 25 outlets. There was evidence of repeat purchases. Although the number of customers was small, or, as the judge at first instance put it, “very limited”, the claimant’s goodwill was found to be sufficient to entitle it to restrain the defendant’s trade under LUMOS.

61. The totality of the Cancellation Applicant’s evidence in the instant case comprises just 10 orders for Byttron fitness trackers. The orders relate to three models priced respectively at £22.99, £38.99 and £18.99. Three units were sold at £22.99, six units at £38.99 and 1 unit at £18.99; totalling £321.90. These orders relate to the period from 1 November 2019 to 21 December 2019. No overall sales figures or evidence of marketing activity have been provided. In my view, the evidence available to me is insufficient to demonstrate that the Cancellation Applicant owns a protectable goodwill in its business related to the sign ‘Byttron’ in respect of *smart watches*. The number of customers and the sales revenue generated are simply too small to indicate a level of goodwill beyond trivial. The first element of the passing off claim has therefore not been made out. Consequently, the claim under section 5(4)(a) fails.

Section 5(4)(a) outcome

62. The Application for Invalidation under section 5(4)(a) of the Act fails.

Overall outcome

63. The Application for Invalidation succeeds under section 5(2)(a) of the Act in respect of all of the Proprietor’s goods **except** *smart door locks*.

Costs

64. The Cancellation Applicant has been partially successful and is entitled to a contribution towards its costs, based upon the published scale¹⁵. I award the Cancellation Applicant the sum of **£658**¹⁶ calculated as follows:

Official fee for Application for Invalidation:	£200
Preparation of statement and consideration of the Proprietor's statement	£200
Written Submissions in evidence round:	£300
Sub-total	£700
Less 6% to account for the Proprietor's success in respect of <i>smart door locks</i>	-£42
Total:	£658

65. I therefore order The Elite Watch Company Ltd to pay to Shenzhen Zestnation Technology Co., Ltd **the sum of £700**. This sum is to be paid within twenty-one days of the expiry of the appeal period or within twenty-one days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 10th day of November 2021

Mx N. R. Morris
For the Registrar,
the Comptroller-General

¹⁵ Tribunal Practice Notice 2/2016

¹⁶ The Application for Invalidation has succeeded in respect of 17 out of 18 terms of the Proprietor's specification; approximately 94%. A deduction of 6% has therefore been applied.