

O-613-22

TRADE MARKS ACT 1994

CONSOLIDATED PROCEEDINGS

IN THE MATTER OF REGISTRATION NO. 3194946

IN THE NAME OF NEXTGEN360 LIMITED

IN RESPECT OF THE TRADE MARK

HEIZEN

IN CLASS 34

AND

IN THE MATTER OF AN APPLICATION FOR INVALIDATION THERETO

UNDER NO. 502900

BY FLAVOUR WAREHOUSE HOLDINGS LIMITED

AND

IN THE MATTER OF REGISTRATION NO. 3124594 FOR THE TRADE MARK

Heisenberg

IN THE NAME OF FLAVOUR WAREHOUSE HOLDINGS LIMITED

AND THE APPLICATION FOR REVOCATION THERETO

UNDER NO 503882

BY NEXTGEN360 LIMITED

BACKGROUND AND PLEADINGS

1. Registration 3194946, in respect of the mark “HEIZEN”, was applied for on 4 November 2016 and registered on 27 January 2017. It stands in the name of NextGEN360 Limited (“Party B”). It is registered in respect of the following goods in Class 34:

Liquid nicotine solutions, flavourings other than essential oils, and nicotine-free liquid solutions containing flavourings; all the aforesaid goods for use in electronic cigarettes, oral vaporisers and other electronic smoking devices.

2. On 28 November 2019, Flavour Warehouse Holdings Limited (“Party A”) applied to invalidate the registration on the basis of section 47, sections 5(2)(b), section 5(3), section 5(4)(a) and section 3(6) of the Trade Marks Act 1994 (“the Act”).

3. In respect of the section 5(2)(b) and section 5(3) grounds, Party A relies upon the following earlier mark:

3124594

Heisenberg

Filing date: 28 August 2015

Registration date: 11 December 2015

4. Party A relies upon all the goods listed in this registration, namely:

Class 34: *Electronic cigarette liquid (e-liquid) comprised of flavourings in liquid form used to refill electronic cigarette's.*

5. In respect of its ground based upon section 5(2)(b), Party A asserts that the marks HEISENBERG and HEIZEN are visually and phonetically highly similar. It claims that its mark benefits from an enhanced distinctive character because of the use made of it. It also claims that the respective parties’ goods are identical or highly similar and

that they are every day, mass consumer items. It concludes that there is a likelihood of confusion.

6. In respect of its ground based on section 5(3), Party A claims that its mark is highly distinctive and enjoys a strong reputation. It asserts that, consequently, the average consumer will link Party B's mark with its mark and will believe that the respective parties' goods originate from the same or economically linked undertakings. It also claims that:

- The adoption of the mark HEIZEN is without due cause;
- Party A has invested significantly in the creation, advertising, promotion and marketing of the HEISENBERG brand;
- The respective parties' goods are identical;
- There will be unfair advantage because use of Party B's mark will unfairly benefit from the investment and effort made by Party A in creating a market leading brand. Party B is attempting to ride on the coat tails of this reputation by creating a brand which has the identical sounding and visually highly similar prefix to its earlier mark;
- There will be detriment to the reputation of Party A's earlier mark because Party A is a market leading manufacturer (and retailer, but it does not rely upon such services). It enjoys a reputation in the industry as providing high quality products and, in the event that the proprietors goods are of inferior quality, it will result in detriment to the power of attraction of the earlier mark;
- There will be detriment to distinctive character because use of Party B's mark will weaken the ability of Party A's mark to identify the goods for which it is registered and, as a result, its unique distinctiveness will be affected and no longer viewed as unique. This will impact negatively on Party A's sales;

7. In respect of the ground based upon section 5(4)(a), Party A relies upon the sign HEISENBERG, claiming that it has been used throughout the UK since 12 February 2015 throughout the UK in respect of the following list of goods:

Electronic cigarettes; liquid nicotine solutions for use in electronic cigarettes; flavourings, other than essential oils, for use in electronic cigarettes; electronic cigarette liquids; electronic cigarette liquid solutions containing nicotine; flavour essences for electronic cigarettes and electronic smoking devices

8. Party A claims that there has been a high level of sales and turnover and that it enjoys significant goodwill. It asserts that use of the mark HEIZEN will be a representation to the public which will lead to damage to its goodwill by, for example, loss/division of sales and loss of licensing opportunities.

9. Party A also relies on a ground based upon section 3(6) of the Act. It claims that the proprietor was fully aware of the applicant's strong reputation and its HEISENBERG mark at the time of filing the contested mark and acted dishonestly.

10. Party B filed a Form TM8 and counterstatement denying the applicant's claims other than its acceptance that the respective goods are identical or similar.

11. Party A's earlier mark, 3124594, became liable to be revoked for non-use when it reached the 5-year anniversary of its registration date (namely 11 December 2020). On 26 May 2021, Party B filed an application to revoke this earlier mark for reasons of non-use. It requests that the revocation takes effect from 12 December 2020 under section 46(1)(a) or 26 May 2021 under section 46(1)(b).

12. Party A filed a Form TM8(N) where it claims it has used its mark throughout both five-year periods.

13. The outcome of the non-use case has no bearing upon Party A's application to invalidate Party B's mark because the earliest date of revocation, even if the non-use case is wholly successful, is 20 December 2020. This is later than the relevant date in the earlier proceedings, namely, 4 November 2016. Consequently, Party A's earlier mark will remain valid at that date regardless of the outcome of the non-use case. Nevertheless, the non-use case will be decided on the same evidence as the parties provided in the earlier invalidation proceedings and the respective cases were consolidated.

14. The parties have both filed evidence in these proceedings. Party A also filed written submissions with its evidence. The parties did not request to be heard but they both filed written submissions in lieu of a hearing. I will keep the evidence and submissions in mind, and I will refer to the evidence as I consider appropriate when making my decision.

15. Party A was represented in these proceedings by Wilson Gunn and Party B by Meissner Bolte UK.

Evidence

16. Party A's evidence takes the form of a witness statement by Philip Eamon Boyle together with exhibits PB1 – PB14. Mr Boyle is the managing director of Party A and his evidence provides information regarding the history and growth of Party A's business activities. He also provides specific information regarding the use of Party A's HEISENBERG mark.

17. Party B's evidence takes the form of a witness statement by Jorandi Daneel, Chartered Trade Mark Attorney with Meissner Bolte (UK) Ltd, Party B's representative in these proceedings. Her statement includes Exhibits JD1 – JD4 and the evidence relates to the status of Party B as a well-known and reputable company and to the origins of the name HEISENBERG.

DECISION

CA 503882: Revocation Non-Use

18. I will begin by considering Party B's application to revoke Party A's mark on the basis that it has not been put to genuine use.

19. Section 46 of the Act states:

“46. - (1) The registration of a trade mark may be revoked on any of the following grounds-

(a) that within the period of five years following the date of completion of the registration procedure it has not 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, and there are no proper reasons for non-use;

(b) that such use has been suspended for an uninterrupted period of five years, and there are no proper reasons for non-use;

(c) [...]

(d) [...]

(2) For the purpose of subsection (1) use of a trade mark includes use in a form (the “variant form”) differing in elements which do not alter the distinctive character of the mark in the form in which it was registered (regardless of whether or not the trade mark in the variant form is also registered in the name of the proprietor), and 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.

(3) The registration of a trade mark shall not be revoked on the ground mentioned in subsection (1)(a) or (b) if such use as is referred to in that paragraph is commenced or resumed after the expiry of the five-year period and before the application for revocation is made:

Provided that, any such commencement or resumption of use after the expiry of the five-year period but within the period of three months before the making of the application shall be disregarded unless preparations for the commencement or resumption began before the proprietor became aware that the application might be made.

(4) [...]

(5) Where grounds for revocation exist in respect of only some of the goods or services for which the trade mark is registered, revocation shall relate to those goods or services only.

(6) Where the registration of a trade mark is revoked to any extent, the rights of the proprietor shall be deemed to have ceased to that extent as from-

(a) the date of the application for revocation, or

(b) if the registrar or court is satisfied that the grounds for revocation existing at an earlier date, that date”.

20. Section 100 is also relevant, which reads:

“If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it.”

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

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

“114.....The CJEU [Court of Justice of the European Union] has considered what amounts to “genuine use” of a trade mark in a series of cases: Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, *La Mer* (cited above), Case C-416/04 P *Sunrider Corp v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [2006] ECR I-4237, Case C-442/07 *Verein Radetsky-Order v Bunderversvereinigung Kamaradschaft ‘Feldmarschall Radetsky’* [2008] ECR I-9223, Case C-495/07 *Silberquelle GmbH v Maselli-*

Strickmode GmbH [2009] ECR I-2759, Case C-149/11 *Leno Merken BV v Hagelkruis Beheer BV* [EU:C:2012:816], [2013] ETMR 16, Case C-609/11 P *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], [2014] ETMR, Case C-141/13 P *Reber Holding & Co KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [EU:C:2014:2089] and Case C-689/15 *W.F. Gözze Frottierweberei GmbH v Verein Bremer Baumwollbörse* [EU:C:2017:434], [2017] Bus LR 1795.

115. The principles established by these cases may be summarised as follows:

(1) Genuine use means actual use of the trade mark by the proprietor or by a third party with authority to use the mark: *Ansul* at [35] and [37].

(2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Leno* at [29]; *Centrotherm* at [71]; *Reber* at [29].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Leno* at [29]; *Centrotherm* at [71]. Accordingly, affixing of a trade mark on goods as a label of quality is not genuine use unless it guarantees, additionally and simultaneously, to consumers that those goods come from a single undertaking under the control of which the goods are manufactured and which is responsible for their quality: *Gözze* at [43]-[51].

(4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: *Ansul* at [37]. Internal use by the proprietor

does not suffice: *Ansul* at [37]; *Verein* at [14] and [22]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle* at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].

(5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d'être* of the mark, which is to create or preserve an outlet for the goods or services that bear the mark: *Ansul* at [37]-[38]; *Verein* at [14]; *Silberquelle* at [18]; *Centrotherm* at [71]; *Reber* at [29].

(6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence that the proprietor is able to provide; and (g) the territorial extent of the use: *Ansul* at [38] and [39]; *La Mer* at [22]-[23]; *Sunrider* at [70]-[71], [76]; *Leno* at [29]-[30], [56]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34].

(7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor. Thus there is no *de minimis* rule: *Ansul* at

[39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72] and [76]-[77]; *Leno* at [55].

(8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [32].”

23. The five-year periods that Party A must show genuine use of its HEISENBERG mark are as follows:

	Under s.46(1)(a)	Under s.46(1)(a)
Five Year Period	12 December 2015 - 11 December 2020	26 May 2016 – 25 May 2021
Date revocation would take effect	12 December 2020	26 May 2021

24. Party A’s relevant evidence can be summarised as follows:

- Party A’s business has been operating under the name “Vampire Vape” since early 2013;¹
- It manufactures its own brand e-liquids with in excess of 50 different flavours almost all of which are sold under individual sub-brands;²
- It sells e-liquid and electronic cigarette products via its website www.vampirevape.co.uk and through stockists and distributors in the UK and elsewhere;³
- In 2016, Party A purchased machinery enabling it to produce up to 100,000 e-liquid bottles (units) per day. This has reason to its “current” (the statement is dated 28 September 2020) capacity of 160,000 units;⁴

¹ Mr Boyle’s witness statement, para 1

² Ditto, para 3

³ Ditto, para 6

⁴ Ditto, para 8

- It launched the e-liquid brand HEISENBERG in August 2014 at Vapefest UK and this, together with its PINKMAN brand, remain its most successful and biggest selling brands;⁵
- HEISENBERG has won a number of awards in the industry and is Party A's most successful brand and continues to be an extremely popular branded e-liquid with the following sales, 56% of which relate to the UK:⁶

<i>Year</i>	<i>Units</i>
2017	1,999,167
2018	6,457,858
2019	6,380,458
2020 (part year figures)	4,412,311

- Turnover relating to Party A's business are provided but it is not broken down by brand, however, I note that it has risen every year from nearly £900,000 in 2014 to more than £36 million in 2019;⁷
- Similarly, marketing spend is provided for the business as a whole and ranges between £100,000 to over £400,000 a year between 2015 and 2020;⁸
- Extracts from Party A's website are provided.⁹ Most are undated but were printed on "20/09/2020". Numerous varieties of e-liquids are shown all in a similar bottle and with a similar label. A small number of these show use of the HEISENBERG mark. One of these is obtained from <http://web.archive> and is a screen shot of a page from Party A's website, dated 31 December 2014. It is typical of the type of images provided and is shown below:

⁵ Ditto, para 10

⁶ Ditto

⁷ Ditto, para 14

⁸ Ditto, para 15

⁹ See Exhibit PB1

Go NOV DEC FEB
◀ 31 ▶
2013 2014 2016

⊙ ? ×
f t

▼ About this capture



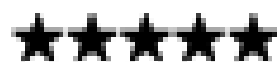
- Below is a further example, but undated:



er (<https://www.vampirevape.co.uk/heise-70-30-10ml.html>)

✓ Heisenberg 70/30.10ml
(<https://www.VampirevapeCo.Uk/H-eisenberg-70-30-10ml.Html>)

£3.99



[6 reviews](#)

(<https://www.vampirevape.co.uk/heisenberg-70-30-10ml.html#reviews>)

en-

BUY NOW

- Undated copies of several product labels are provided¹⁰ including the following for a “vape kit”:



- Party A was number one in the Lancashire Business View “Hot 100 companies (SMEs) in Lancashire”;¹¹
- Examples of Party A’s social media activity is provided¹² showing Twitter and Facebook posts. The “About” information provided on its Facebook page states:

About

[See a](#)

Vampire Vape is an e-liquid manufacturer based in the UK and is the original producer of the famous Pinkman & Heisenberg flavours. We operate in over 80 markets & have won notable awards for our flavours, tradeshow booths & business management.

- The HEISENBERG product e-liquid is also shown in Party A’s posts, such as the one shown below with posts dated 22 August 2016:

¹⁰ At Exhibit PB3

¹¹ Mr Boyle’s witness statement, para 20

¹² At Exhibit PB5



- The landing page for several YouTube video reviews of the HEISENBERG product are provided from November 2014;¹³
- Party A has attended a number of exhibitions and a list is provided¹⁴ of exhibitions in 2018 and 2019 and these include six in the UK in the former year and four in the latter year. Several others have unknown geographical locations;
- Advertisements and articles about Party A’s products are provided.¹⁵ The first of these in a US magazine called “Vapouround”, there are also numerous undated extracts from the UK version (identified by the “.uk.co” web address on its front cover) of the magazine showing the HEISENBERG e-liquid product with other similar products (flavours). The magazine describes itself as “The UK and Ireland’s Leading Vape Trade Magazine”. Similar advertisements are also shown in undated extracts from Vapour Magazine that also has a “.co.uk” website address.

¹³ Exhibit PB6

¹⁴ Mr Boyle’s witness statement, para 25

¹⁵ See exhibits PB10 and PB11

25. Party A submits that this evidence is sufficient to counter the claim of non-use. Party B asserts that the evidence is not sufficient to show genuine use of the HEISENBERG mark. I refer to the most relevant of Party B's claims, sometimes grouping two or more together, where convenient and provide my own comments:

- (i) *Numerous references are to VAMPIRE VAPE and the history of this brand, rather than HEISENBERG.* This is true, but from my summary of the evidence, there is also numerous references to HEISENBERG;
- (ii) *Party A refers to "HEISENBERG" and not "Heisenberg".* Registration in ordinary typeface is considered to cover, not just the case in which is presented but also the same word in other cases and fonts insofar as the alternative presentations do not change the distinctive character of the mark. I note that the evidence shows the mark being used in both sentence case (as per the registration) and in capitals. I consider both forms can be considered for the purposes of assessing genuine use;
- (iii) *Party A have not provided separate sales figures for their HEISENBERG product, but rather they provide figures that reflect combined sales figures for HEISENBERG and PINKMAN products in the UK and in the EU.* I agree that this does not enable me to identify the level of sales of the HEISENBERG product. Further, as Party B submits, sales in the EU are not relevant because the earlier mark is a UK mark and genuine use must be demonstrated in the UK. However, Party A does provide sales information in respect of the number of HEISENBERG units sold and this does give an idea of the scale of the use in the UK;
- (iv) *There is no evidence to support the claim that the HEISENBERG product was launched in August 2014.* I agree, but there is a YouTube video screenshot about the product dated November 2014 and an extract from its website dated 31 December 2014. These both show that there was some use in the final couple of months of 2014. Further, an absence of corroboratory evidence would not be fatal to Party A's genuine use claim because I must consider the position during the two five-year periods identified in paragraph 22, above and not from the claimed launch date that predates these;

- (v) *There is no evidence to support the claim that HEISENBERG has won a number of awards nor that it is one of Party A's most successful and biggest selling brands.* I agree that there is no corroboratory evidence, but statements made within a witness statement are evidence and I am entitled to consider these;
- (vi) *There is no evidence to support that the HEISENBERG brand is "extremely popular" and "world famous" as claimed.* Party A's claims are subjective statement, and I will draw my own conclusions from all the evidence provided;
- (vii) *The financial strength of Party A's business and its advertising spend for the business as a whole do not assist in illustrating use of the HEISENBERG brand.* This is correct and does not assist Party A in demonstrating use;
- (viii) *Print outs from Party A's website are provided but the "HEISENBERG" mark is barely visible.* The images and descriptions of the products show HEISENBERG as prominently as any other of Party A's flavours and as such, this criticism does not identify a shortcoming that impacts upon Party A's claim to use;
- (ix) *The five-star ratings appearing under the product images are irrelevant as they are unsupported by independent evidence.* This relates to the quality of the product not the volume of sales and is not relevant to the issue of use;
- (x) *The existence of Party A's social media pages does not support the extensive and significant use of the mark HEISENBERG.* Whilst this evidence may not paint the whole story, it is relevant to the issue of use and must be considered in the round with all the other evidence filed;
- (xi) *Very few of the listings on the invoices relate to HEISENBERG products.* I noted this but also that a small number do show HEISENBERG products;
- (xii) *Information regarding exhibitions relates to the business name "Vampire Vape" and not "HEISENBERG".* It is established in the evidence that HEISENBERG is a sub-brand of Party A, and it is used for a specific flavour of e-liquid. It does not strike me as normal that Party A's presence at exhibitions would be identified by reference to just one of its flavoured e-liquids and I, therefore, agree with Party B;

- (xiii) *Party B points to evidence of exhibitions and from magazines not in the UK. I agree that this does not support the claim of use in the UK but that there is also evidence of exhibitions and magazines that are in the UK;*
- (xiv) *Certain exhibits are undated and cannot be confirmed to be within the relevant period. I agree that some of the evidence is undated.*

26. It can be seen from Party B's criticisms of the evidence and my comments on these criticisms that parts of Party A's evidence are not well marshalled and at times, it goes to the extent of its business as a whole rather than to the scale of use in the UK of its HEISENBERG mark. That said, it has provided evidence in the form of copy invoices, advertisements, images of example packaging. Whilst many of these are undated, Mr Boyle has also provided information regarding the number of HEISENBERG units sold over a number of years. He states that 56% of these figures relate to HEISENBERG sales in the UK and amounts to, in excess of, 1.1 million units in 2017, 3.6 million units in 2018, 3.5 million units in 2019 and 2.4 million units for part of 2020 (Mr Boyle's witness statement is dated 28 September 2020). Whilst many exhibits are undated there is some dated use shown, such as:

- the screenshot from 31 December 2014 showing a 12mg bottle of HEISENBERG e-liquid being one of a number of products for sale on Party A's website;
- a post on Party A's social media site that is dated within both relevant periods and shows its HEISENBERG mark. Review videos on YouTube are dated from November 2014 and illustrate that the HEISENBERG mark was in use prior to the start of the relevant periods.

27. When taking all this evidence together with that summarised at paragraph 23, above, whilst it suffers from a number of defects, the overall impression created by this evidence is that there has been a reasonable level of use of the HEISENBERG mark in respect of e-liquids for at least a two-year period that falls within both relevant periods. There were over 7 million units sold in the two years 2018/19. I conclude that this demonstrates genuine use in respect of "[e]lectronic cigarette

liquid (e-liquid) comprised of flavourings in liquid form used to refill electronic cigarette's".

28. As I said earlier, this has no impact on Party A's cancellation action. I now go on to consider that action.

CA502900

29. Sections 3(6), 5(2)(b), section 5(3) and section 5(4)(a) are all relevant in invalidation proceedings because of the following provisions set out in section 47 of the Act:

"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).

(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."

Section 5(2)(b)

30. I find it convenient to firstly consider the grounds based upon section 5(2)(b) of the Act. This reads as follows:

“5(2) A trade mark shall not be registered if because-

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark”.

31. Section 5A of the Act is as follows:

“5A Where grounds for refusal of an application for registration of a trade mark exist in respect of only some of the goods or services in respect of which the trade mark is applied for, the application is to be refused in relation to those goods and services only.”

Comparison of goods

32. 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.”

33. In *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T-133/05, the General Court stated that:

“29. In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by 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”.

34. 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. 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:

“...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”.

35. Party B concedes that the respective goods are identical or similar. I agree. When applying the principle set out on *Meric*, it is clear that the following of Party B’s goods are identical to Party A’s *electronic cigarette liquid (e-liquid)*.....:

Liquid nicotine solutions, flavourings other than essential oils, and nicotine-free liquid solutions containing flavourings; all the aforesaid goods for use in electronic cigarettes

36. In respect of *oral vaporisers and other electronic smoking devices* these are devices and not liquids and are, therefore, self-evidently different to Party A’s goods in terms of their nature. The respective purpose and methods of use are also different with the e-liquids being placed inside the device to provide flavour for the user and the device being utilised as a cigarette replacement. They are not in competition with each other but there is a close complementary relationship in the

sense expresses by the court in *Boston Scientific*. I conclude that the respective goods share a low to medium level of similarity.

Comparison of marks

37. It is clear from *Sabel BV v Puma AG*, Case C-251/95 (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The Court of Justice of the European Union (“the CJEU”) stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

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

38. It would be wrong, therefore, to artificially dissect the trade marks, although, it is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks.

39. The respective marks are shown below:

Party A's earlier mark	Party B's mark
HEISENBERG	Heizen

40. The marks of both parties consist of single words with no additional elements. Consequently, these words are the dominant and distinctive element of the respective marks.

41. Visually, the marks share the same first three letters and the same fifth and sixth letters. However, they differ in a number of ways. Firstly, Party A's mark presents as a noticeably longer word (with ten letters) than Party B's mark (six letters). Secondly, Party B's mark has no equivalent to the "BERG" element of Party A's mark. Thirdly, the "S" in Party A's mark is replaced by a "Z" in Party B's mark. Taking all of this together, I conclude that the respective marks share a low to medium level of visual similarity.

42. Aurally, Party A's mark consists of the three syllables HISE-EN-BERG. Party B's mark consists of the two syllables HIZE-EN. The first syllables of the respective marks are not identical but are very similar and the second syllable is identical. Party B submissions are based on the fact that HEIZEN is a German word and suggests slightly different aural characteristics of both marks. I have considered these submissions and conclude that, even if this is correct, the differences are such as to have no material impact upon my overall considerations. The third syllable of Party A's mark is absent in Party B's mark. Taking all of this into account, I conclude that the respective marks share a low to medium level of similarity.

43. Conceptually, Party B submits that HEIZEN means "to heat" in German. Party A submits that the average UK consumer will not be aware of this German meaning. I agree. As Anna Carboni¹⁶ cautioned, merely because a word has a dictionary meaning does not necessarily mean that the term will be understood by the average consumer. My view is that this is particularly so in respect of foreign words. The UK average consumer is likely to perceive the word as invented or as a foreign word with an unknown meaning.

¹⁶ sitting as the Appointed Person in CHORKEE Trade Mark, BL O/048/08

44. Party B provides¹⁷ an extract from the website www.theelectroniccigarette.co.uk where the following is said about Party A's brand:

"Curious about the name Heisenberg? It is named after the villain Walter White's alter ego from the hit TV show Breaking Bad."

45. Further evidence is provided of a third party also using the name HEISENBERG that contains a similar reference to Breaking Bad and adds that the name HEISENBERG was used by the character in the TV show as a reference to German physicist Werner Heisenberg who was famous for his "uncertainty principle."¹⁸ This evidence confirms the impression I have that Party A's mark presents as a surname and that the average consumer is likely to perceive it as such. However, whilst the factual circumstances are slightly different here, the guidance from *CHEROKEE* can apply equally and I cannot assume that because HEISENBERG is the name of a TV character and a German physicist, that the average consumer will be aware of this.

46. Taking all of this into account, HEIZEN is likely to be perceived either as an invented word or as a foreign word with an unknown meaning. HEISENBERG is likely to be perceived as a surname. Therefore, there is no conceptual similarity between the respective marks.

Average consumer and the purchasing act

47. 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*.

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

¹⁷ At Exhibit JD3

¹⁸ See Exhibit JD4

EWHC 439 (Ch), Birss J. (as he then was) described the average consumer in these terms:

“60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The words “average” denotes that the person is typical. The term “average” does not denote some form of numerical mean, mode or median.”

49. The respective goods are all e-cigarette products, and the purchasing public are adults who partake in the activity of using e-cigarettes. Therefore, the goods are likely to be reasonably frequent purchases that can be selected from displays or shelves or the online equivalent. Party B submits that e-liquids tend to be ordered orally over a counter and that aural considerations should be given more weight. I recognise this may be the primary mode of purchase, but I also keep in mind that the goods may be self-selected from displays in shops and that online purchases will be visual in nature. The level of care and attention will be average.

Distinctive character of the earlier trade mark

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

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

51. As I have already noted, Party A’s mark presents as a surname. It is obviously not a particularly common surname in the UK and, therefore, has a higher level of inherent distinctive character than surnames such as Jones or Smith, for example. Nevertheless, it is not as distinctive as an invented word, and I conclude that it has a medium level of inherent distinctive character.

52. Party A claims that its mark benefits from an enhanced level distinctive character. I have summarised earlier the evidence relating to the scale of use of the mark. However, I keep in mind that the relevant dates for assessing genuine use are different from the relevant date for assessing enhanced distinctive character in this case. Here the relevant date is the filing date of the contested mark, namely 4 November 2016. Whilst I can conclude from the evidence that Party A’s mark had been used before that date, I am unable to reach any conclusion on the extent of that use and, therefore, neither can I conclude that use before the relevant date was such that there was enhancement to the mark’s distinctive character. Figures are provided regarding the number of units sold but the earliest figure is for the year 2017 and, therefore, they are of no assistance. I conclude that there is no evidence that Party A’s mark benefits from an enhanced level of distinctive character at the relevant date.

GLOBAL ASSESSMENT – Conclusions on Likelihood of Confusion.

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

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

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

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

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

54. The factors assessed so far have a degree of interdependency (*Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc*, paragraph 17), a global assessment of them must be made when determining whether there exists a likelihood of confusion (*Sabel BV v. Puma AG*, paragraph 22). These factors must be assessed from the viewpoint of the average consumer who rarely has the opportunity to compare marks side by side but must rather rely on the imperfect picture that they have kept in their mind. Confusion can be direct (which occurs when the average consumer mistakes one mark for the other) or indirect (where the average consumer realises the marks are not the same but puts the similarity that exists between the marks and goods down to the responsible undertakings being the same or related).

55. I have found that:

- At least some of the respective goods are identical;

- The distinctive character of the respective marks self-evidently resides in the single words HEIZEN and HEISENBERG respectively;
- The respective marks share a low to medium level of visual and aural similarity, and no conceptual similarity;
- The average consumer is the e-cigarette using part of the adult population. They are likely to pay an average level of care and attention during the purchasing process that may be visual or aural in nature;
- The inherent distinctive character of the earlier mark is medium and there is no evidence that this has been enhanced through use.

56. Taking all of the above into account, even where the respective goods are identical, I consider that the differences between the marks are such that one is not likely to be mistaken for the other. One mark presents as a ten-letter surname and the other is noticeably shorter, having only six letters and is either an invented word or a foreign word of unknown meaning. Further, the same distinction regarding the length of the respective marks is also likely to be made when referred to aurally. The absence of any conceptual similarity (because the mark HEIZEN will be seen as an invented word or a foreign word with an unknown meaning) together with these differences is likely to result in the average consumer not confusing one mark for the other. I conclude that there is no likelihood of direct confusion.

57. In respect of indirect confusion, I keep in mind *L.A. Sugar Limited v By Back Beat Inc*, Case BL O/375/10, where Mr Iain Purvis Q.C., as the Appointed Person, explained that:

“16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal

terms, is something along the following lines: “The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark.

17. Instances where one may expect the average consumer to reach such a conclusion tend to fall into one or more of three categories:

- (a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using it in a trade mark at all. This may apply even where the other elements of the later mark are quite distinctive in their own right (‘26 RED TESCO’ would no doubt be such a case).
- (b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or brand extension (terms such as ‘LITE’, ‘EXPRESS’, ‘WORLDWIDE’, ‘MINI’ etc.).
- (c) where the earlier mark comprises a number of elements, and a change of one element appears entirely logical and consistent with a brand extension (‘FAT FACE’ to ‘BRAT FACE’ for example”).

58. Party B’s HEIZEN mark is similar to the first part of Party A’s mark HEISEN-. I need to assess whether this is sufficient for the average consumer to mistakenly believe that both marks originate from the same or linked undertaking.

59. Whilst I recognise that the categories of marks identified by Mr Purvis are not exhaustive, there is nothing before me to suggest there would be any other reason for finding that there is indirect confusion. The differences between the respective marks are such as that the circumstances do not fall into either of the three categories identified by Mr Purvis QC. As I have already discussed, one mark presents as a surname, whilst the other presents as an invented word or a foreign

word of unknown meaning. This creates a lack of conceptual similarity that will be readily apparent to the average consumer. Taking all of this together, I conclude that the consumer will not believe that the respective marks originate from the same of linked undertaking and I find that there is no likelihood of indirect confusion.

60. In summary, the ground based upon section 5(2)(b) fails in its entirety.

Section 5(4)(a)

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

“(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, where the condition in subsection (4A) is met,

(aa) [...]

(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.”

62. Party A has provided written submissions regarding this ground but, in respect of the issue of misrepresentation, these are restricted to drawing attention to what it believes is the relevant case law. It makes no specific submission regarding misrepresentation. In light of this, I proceed on the basis that its reasons are the same reasons for which it claimed there was a likelihood of confusion under section 5(2)(b). I recognise that the test for misrepresentation is different to that for likelihood of confusion, namely, that misrepresentation requires “a substantial number of members of the public are deceived” rather than whether the “average consumer are confused”. However, as recognised by Lewinson L.J. in *Marks and Spencer PLC v Interflora*, [2012] EWCA (Civ) 1501, it is doubtful whether the difference between the legal tests will produce different outcomes. Certainly, I believe that this is the case here and I find

that members of the public are not likely to be misled into purchasing Party B's goods in the belief that they are Party A's goods.

63. In summary, I find that the ground based upon section 5(4)(a) fails in its entirety.

Section 5(3)

64. Section 5(3) states:

(3) A trade mark which –

(a) is identical with or similar to an earlier trade mark,

(b) *Repealed*

shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.

65. The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, Case 252/07, *Intel*, Case C-408/01, *Addidas-Salomon*, Case C-487/07, *L'Oreal v Bellure* and Case C-323/09, *Marks and Spencer v Interflora* and Case C383/12P, *Environmental Manufacturing LLP v OHIM*. The law appears to be as follows.

a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors*, paragraph 24.

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public; *General Motors*, paragraph 26.

(c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Saloman, paragraph 29* and *Intel, paragraph 63*.

(d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark's reputation and distinctiveness; *Intel, paragraph 42*

(e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future; *Intel, paragraph 68*; whether this is the case must also be assessed globally, taking account of all relevant factors; *Intel, paragraph 79*.

(f) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious risk that this will happen in future; *Intel, paragraphs 76 and 77* and *Environmental Manufacturing, paragraph 34*.

(g) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; *Intel, paragraph 74*.

(h) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark

have a characteristic or quality which is liable to have a negative impact of the earlier mark; *L'Oreal v Bellure NV, paragraph 40*.

(i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks and Spencer v Interflora, paragraph 74 and the court's answer to question 1 in L'Oreal v Bellure*).

66. The requirements under section 5(3), namely, that the earlier mark has a reputation, that there is a link between the respective marks such that use of the applicant's mark leads to an unfair advantage or detriment, are cumulative and the applicant can only succeed under this ground if it first demonstrates that it has the requisite reputation. I have summarised the applicant's evidence at paragraph 24. I found that it was insufficient to result in an enhanced level of distinctive character.

67. The relevant date when Party A must demonstrate that its mark benefitted from a reputation is the filing date of its mark, namely, 4 November 2016 (being different to the two five-year periods relevant for the purposes of genuine use). As I noted earlier, the evidence supporting use of the mark HEISENBERG prior to the relevant date is very limited. I accept that there was use prior to this date as evidenced by the launch date of August 2014, the web archive dated 31 December 2014 showing the HEISENBERG e-liquid for sale, the social media advertisement dated 22 August 2016 and the YouTube reviews of the HEISENBERG product from November 2014. However, there is no information regarding the scale of use of the mark prior to the date. Again, as I have already noted, whilst the numbers of HEISENBERG branded products are provided, these are only from 2017 which is after the relevant date.

Consequently, I am unable to conclude that the mark has the requisite reputation at the relevant date.

68. In light of this finding, the ground based upon section 5(3) fails in its entirety. If I am wrong regarding the existence of a reputation, I would have found that the requisite link does not exist. I would have kept in mind that the hurdle for demonstrating a link is lower than that for demonstrating a likelihood of confusion and that the bringing to mind is sufficient to establish a link. Nevertheless, for the same reasons that I have found no likelihood of confusion, I would find that there is no link established or if there is, it would be so fleeting as not to result in any detriment or unfair advantage. In view of these findings, “due cause” on the part of Party B can be inferred.

69. In summary, the ground based upon section 5(3) fails in its entirety.

Section 3(6)

70. Section 3(6) of the Act states:

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

71. In *Sky Limited & Ors v Skykick, UK Ltd & Ors*, [2021] EWCA Civ 1121 the Court of Appeal considered the case law from *Chocoladefabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH*, Case C-529/07 EU:C:2009:361, *Malaysia Dairy Industries Pte. Ltd v Ankenævnetfor Patenter Varemærker* Case C-320/12, EU:C:2013:435, *Koton Mağazacılık Tekstil Sanayi ve Ticaret AŞ*, Case C-104/18 P, EU:C:2019:724, *Hasbro, Inc. v EUIPO, Kreativni Dogaaji d.o.o. intervening*, Case T-663/19, EU:2021:211, *pelicantravel.com s.r.o. v OHIM, Pelikan Vertriebsgesellschaft mbH & Co KG (intervening)*, Case T-136/11, EU:T:2012:689, and *Psytech International Ltd v OHIM, Institute for Personality & Ability Testing, Inc (intervening)*, Case T-507/08, EU:T:2011:46. It summarised the law as follows:

“68. The following points of relevance to this case can be gleaned from these CJEU authorities:

1. The allegation that a trade mark has been applied for in bad faith is one of the absolute grounds for invalidity of an EU trade mark which can be relied on before the EUIPO or by means of a counterclaim in infringement proceedings: *Lindt* at [34].

2. Bad faith is an autonomous concept of EU trade mark law which must be given a uniform interpretation in the EU: *Malaysia Dairy Industries* at [29].

3. The concept of bad faith presupposes the existence of a dishonest state of mind or intention, but dishonesty is to be understood in the context of trade mark law, i.e. the course of trade and having regard to the objectives of the law namely the establishment and functioning of the internal market, contributing to the system of undistorted competition in the Union, in which each undertaking must, in order to attract and retain customers by the quality of its goods or services, be able to have registered as trade marks signs which enable the consumer, without any possibility of confusion, to distinguish those goods or services from others which have a different origin: *Lindt* at [45]; *Koton Mağazacılık* at [45].

4. The concept of bad faith, so understood, relates to a subjective motivation on the part of the trade mark applicant, namely a dishonest intention or other sinister motive. It involves conduct which departs from accepted standards of ethical behaviour or honest commercial and business practices: *Hasbro* at [41].

5. The date for assessment of bad faith is the time of filing the application: *Lindt* at [35].

6. It is for the party alleging bad faith to prove it: good faith is presumed until the contrary is proved: *Pelikan* at [21] and [40].

7. Where the court or tribunal finds that the objective circumstances of a particular case raise a rebuttable presumption of lack of good faith, it is for the applicant to provide a plausible explanation of the objectives and commercial logic pursued by the application: *Hasbro* at [42].

8. Whether the applicant was acting in bad faith must be the subject of an overall assessment, taking into account all the factors relevant to the particular case: *Lindt* at [37].

9. For that purpose it is necessary to examine the applicant's intention at the time the mark was filed, which is a subjective factor which must be determined by reference to the objective circumstances of the particular case: *Lindt* at [41] – [42].

10. Even where there exist objective indicia pointing towards bad faith, however, it cannot be excluded that the applicant's objective was in pursuit of a legitimate objective, such as excluding copyists: *Lindt* at [49].

11. Bad faith can be established even in cases where no third party is specifically targeted, if the applicant's intention was to obtain the mark for purposes other than those falling within the functions of a trade mark: *Koton Mağazacılık* at [46].

12. It is relevant to consider the extent of the reputation enjoyed by the sign at the time when the application was filed: the extent of that reputation may justify the applicant's interest in seeking wider legal protection for its sign: *Lindt* at [51] to [52].

13. Bad faith cannot be established solely on the basis of the size of the list of goods and services in the application for registration: *Psytech* at [88], *Pelikan* at [54]".

72. According to *Alexander Trade Mark*, BL O/036/18, the key questions for determination in a claim of bad faith are:

(a) What, in concrete terms, was the objective that the applicant has been accused of pursuing?

(b) Was that an objective for the purposes of which the contested application could not be properly filed? And

(c) Was it established that the contested application was filed in pursuit of that objective?

73. It is necessary to ascertain what the applicant knew at the relevant date: *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited* [2012] EWHC 1929 (Ch). Evidence about subsequent events may be relevant, if it casts light backwards on the position at the relevant date: *Hotel Cipriani SRL and others v Cipriani (Grosvenor Street) Limited and others*, [2009] RPC 9 (approved by the Court of Appeal in England and Wales: [2010] RPC 16).

74. Party A claims that Party B was fully aware of Party A's strong reputation and its HEISENBERG mark at the time of filing the contested mark and acted dishonestly. Party B denies that there is any basis to this and claims that Party A did not have the claimed "strong reputation" and there is no evidence the Party B would have been aware of Party A's mark. Party B submits that Party A's ground is based on no more than an assertion. Party B also points to its mark HEIZEN comprising a German word meaning "to heat".

75. I keep these submissions in mind when considering whether the claim of bad fall within the criteria set out in *Alexander Trade Mark*.

(a) What, in concrete terms, was the objective that the applicant has been accused of pursuing?

76. There is nothing before me, other than a bare assertion that the name was chosen because of Party A's mark has a reputation. There is no evidence on this point, but Party B has pointed out that it is a German company and has chosen a German word independently of any knowledge of Party A's mark. Firstly, it is relevant that, as of the relevant date in these proceedings, I found that Party A's mark did not have the required reputation. Further, Party B's explanation regarding its location in Germany and its choice of a German word that has a loose allusion to the act of using an e-cigarette is also relevant. Thirdly, when considering the ground based upon section 5(2)(b), I found that there is no likelihood of confusion. This finding also points to genuine intentions of Party B who, even if it had been aware of Party A's registration, may have taken a similar view as myself regarding the level of similarity between the respective marks. These points, when taken together, provide a plausible explanation for choosing its mark and there is nothing before me to cast doubt on this.

(b) Was that an objective for the purposes of which the contested application could not be properly filed?

77. A German company choosing a German word with a loose allusion to the goods is an objective for properly filing for the contested mark. Further, Party A's claim that it was filed in the knowledge of the "strong reputation" of its mark is undermined by the fact that I have found it had no such reputation at the relevant date.

(c) Was it established that the contested application was filed in pursuit of that objective?

78. In light of the above, I find that Party A has not established that the contested registration was filed in pursuit of the objective claimed. Further, there is an alternative plausible explanation that would illustrate that Party B was acting in good faith when making the application to register its mark.

79. In summary, the ground based upon section 3(6) has failed in its entirety.

Summary

80. Party B's application for invalidation (CA503882) to revoke Party A's mark has failed and Party A's mark remains registered in respect of all its goods.

81. Party A's application for invalidation (CA502900) of Party B's mark also fails in its entirety and Party B's mark remains validly registered.

COSTS

82. The parties have both achieved a measure of success and I order that each party bare its own costs.

Dated this 19th day of July 2022

**Mark Bryant
For the Registrar**