

**O/640/21**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO. UK00003592267**

**BY ASSA ABLOY LIMITED**

**TO REGISTER:**

**SMART LIVING PREPARED**

**AS A TRADE MARK IN CLASSES 6, 9 & 20**

**AND**

**IN THE MATTER OF THE OPPOSITION THERETO**


**UNDER NO. 425579 BY**

**GIOVANNI LAPORTA**

## BACKGROUND AND PLEADINGS

1. On 26 June 2019, Assa Abloy Limited (“the applicant”) applied to register the trade mark shown on the cover of this decision (“the applicant’s mark”) in the European Union. The applicant subsequently applied for the same mark in the UK on 8 February 2021. In accordance with Article 59 of the Withdrawal Agreement between the UK and the European Union, by filing an application for the EU mark in the UK within nine months of the end of the transition period, the applicant is entitled to rely on the priority date of the EU mark in UK proceedings. Therefore, the date of the application in these proceedings is considered to be 26 June 2019.
  
2. The applicant’s mark is applied for in respect of the following goods:
  - Class 6: Metal locks, latches, keys, key blanks; small items of metal hardware; metallic mechanical locks for doors and windows; mechanical multi-point door locks of metal; mechanical multi-point window locks of metal; parts and fittings for all the aforesaid goods.
  
  - Class 9: Locks for doors and windows, fittings for doors and windows, all being electrical or electronic; electronic multi-point door locks; electronic multi-point window locks; parts and fittings for all the aforesaid goods.
  
  - Class 20: Locks; non-metallic mechanical locks for doors and windows; mechanical multi-point door locks; mechanical multi-point window locks; parts and fittings for all the aforesaid goods; all the aforesaid goods being made wholly or principally of plastic or other synthetic materials.
  
3. The applicant’s mark was published for opposition purposes on 16 April 2021 and, on 16 July 2021, it was opposed by Mr Giovanni Laporta (“the opponent”).

4. The opposition is based on sections 5(2)(b), 5(3), 5(4)(a) and (3)(6) of the Trade Marks Act 1994 (“the Act”). In respect of its section 5(2)(b) ground, the opponent relies on the following UK trade marks:

No	Mark:	Reg. no:	Filing date:	Reg. date:	Classes:
1.	SMART PREP	3301430	04/04/18	29/06/18	6 & 37
2.	SMART READY	3289244	10/02/18	11/05/18	6
3.		3313493	25/05/18	17/08/18	6, 9 & 20
4.		3345441	15/10/18	01/03/19	6, 9, 35 & 37
5.	SMART READY	3290758	17/02/18	18/05/18	6
6.	Smart Ready	3297649	18/03/18	10/08/18	35, 37 & 42
7.	Ready for Smart	3387307	27/03/19	28/06/19	6, 37, 42 & 45
8.	Smart and Ready	3387308	27/03/19	28/06/19	6, 37 & 42
9.	Get Smart Ready	3376756	19/02/19	28/06/19	6 & 42
10.	Are you ready?	3374249	11/02/19	28/06/19	6, 37 & 42

5. In respect of the above marks, I will hereafter refer to them with reference to their corresponding numbers in the table. For example, entry number one will be referred to as the opponent’s first mark, entry two as the opponent’s second mark and so on. The full specifications relied upon by the opponent for all of its marks are reproduced in the **Annex** to this decision.

6. Under his section 5(2)(b) ground, the opponent claims that in view of the similarity between the applicant’s mark and the opponent’s marks and the identity/similarity of the goods and services, there exists a likelihood of confusion on the part of the public which includes a likelihood of association. The opponent has also relied on the argument that its marks comprise a family of marks and that the applicant’s mark displays characteristics capable of associating it with the opponent’s series of marks.

7. Under his section 5(3) ground, the opponent relies on his second mark only. He claims that use of the applicant's mark would take unfair advantage of, or be detrimental to, the distinctive character or reputation of his second mark.
8. In respect of his 5(4)(a) ground, the opponent relies on the unregistered sign 'SMART READY' that he claims to have used throughout the UK since January 2019 for the following goods and services:

"Window and door locks; Security window and door hardware locks for window and door systems; Metallic doors; door-locking devices; windows made of metal; window-locking devices; door fittings; window fittings, metal hinges and stays for doors and windows; safety fittings for windows and doors; anti-slam devices made of metal for windows and doors; door and window parts; furniture and architectural fittings; metallic security bolts and hinges for double glazing systems; locks and latches; Digital windows and door locks; Computer hardware for windows and doors; Electric sensors for monitoring, actuating and controls; Downloadable software application for connecting, operating, and managing doors and windows, control motors and sensors; software apps for home monitoring systems; parts and fittings for all the aforesaid goods; Bringing together a range of goods for windows and doors and home security monitoring, enabling customers to purchase those goods; Installation and construction of doors and windows; Testing, analysis, and evaluation of the goods and services of others to determine conformity with product guarantee, preparation and certification standards; Developing quality control standards; Certification standards of goods and services; monitoring systems smart home systems; smart monitoring systems for home and building security; software as a service [SaaS] for operating monitoring systems for windows and doors and building security."

9. The opponent claims that use of the applicant's mark would be contrary to the law of passing off in that use of the applicant's mark, being highly similar to the opponent's sign, would be misrepresentative and would confuse customers as to the source of the goods, thereby leading, or likely to lead, to damage of the opponent's goodwill.

10. Finally, under its 3(6) ground, the opponent claims that the actions of the applicant in filing its application fell short of the standards of normal commercial behaviour as it was clearly an attempt by the applicant to circumvent licensing of the opponent's brand.
11. The applicant filed a counterstatement denying the claims made.
12. The opponent is represented by CSY Herts. The applicant is represented by Abel & Imray LLP. Both parties filed evidence in chief with the opponent also filing evidence in reply. No hearing was requested and both parties filed written submissions in lieu of the hearing. This decision is taken following a careful perusal of the papers.
13. 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 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.

## **EVIDENCE**

14. The opponent's evidence came in the form of two witness statements of Mr Giovanni Maria Laporta dated 27 November 2021 and 3 May 2022, respectively, with the latter statement being filed as evidence in reply. Mr Laporta is the opponent and he confirms that he is the director of Smart Ready Limited. His first statement is accompanied by 10 exhibits and his second statement is accompanied by a further three, one of which being a video file that was filed on what Mr Laporta refers to as a 'durable media carrier'. I can confirm that I have viewed this video. I also note that Exhibit GL9, being an exhibit filed with Mr Laporta's first statement, is subject to a confidentiality order.

15. The applicant's evidence came in the form of the witness statement of Mr Paul Robert Atkinson. Mr Atkinson is the director of Yale Door and Window Solutions ("Yale"), being a company that is part of the Assa Abloy Group of companies. Mr Atkinson has held this position since January 2020. Prior to this, Mr Atkinson was the Sales and Commercial Director of Yale since 2010. Mr Atkinson's statement is accompanied by six exhibits.

16. I do not intend to summarise the evidence and submissions of the parties in full here, however, I will refer to them below where necessary.

## **PRELIMINARY ISSUE**

### The family of marks argument

17. As I have set out above, the opponent has raised a family of marks argument in respect of his 5(2)(b) ground of opposition. For reasons that will become obvious below, I intend to address this point as a preliminary issue.

18. While I note that the opponent relies on ten earlier marks, his evidence refers mainly to the 'SMART READY' branding and also shows use of 'Are you ready?', being the opponent's tenth mark, in promotional materials. I refer to the case of *Ponte Finanziaria SpA v OHIM*,<sup>1</sup> wherein the Court of Justice of the European Union ("CJEU") stated that for a family of marks argument to succeed, the trade marks that make up the 'family' must possess common characteristics which make it possible for them to be regarded as a part of the same family. Further, evidence must be filed showing that they are present on the market and that the public would consider that the trade mark applied for belongs to the opponent's 'family' or 'series' of marks.

19. As above, the evidence only shows use of the 'SMART READY' branding and another mark consisting of the words 'Are you ready?'. While I will discuss the marks in further detail below, the words 'SMART READY' form the sole element of

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<sup>1</sup> Case C-234/06,

three of the opponent's mark (albeit presented in different cases) and the dominant element of another. In my view, this is not capable of being considered a family of marks. The separate uses of 'SMART READY' would not, in my view, be seen by the average consumer to be separate marks within a family but, instead, will be viewed either as the same mark or variants of one another. This leaves the use of 'SMART READY' and 'Are you ready?' as the basis for the family of marks argument. Firstly, I do not consider that two marks constitute a family of marks. Further, the shared use of the word 'READY' across these marks is not sufficient to call to mind a family of marks (particularly given its use at the end as in the form of a question in the opponent's tenth mark). Lastly, I do not consider that the opponent has established that the public would expect any mark with the words 'SMART' or 'READY' to be connected to the opponent. In any event, the presence of two marks on the market does not constitute a 'family of marks'. As a result, the opponent's reliance upon the family of marks argument is dismissed.

## **DECISION**

### **Section 5(2)(b): my approach**

20. In these proceedings, the opponent relies on ten earlier marks. I have set out above that the evidence focuses on the 'SMART READY' branding, being covered by its second, fourth, fifth and sixth marks (albeit the fourth mark consists of additional figurative elements). I note that the opponent's submissions in respect of his 5(2)(b) claim focus on his first, second and seventh marks in respect of the goods and services comparison. However, I appreciate that these submissions go on to state that there is further identity/similarity between the remaining marks' goods and services and the applicant's marks' goods but they are not considered further for the sake of brevity.

21. In assessing the comparison of the marks, the opponent's submissions focus on his first mark ('SMART PREP') and the word only mark 'SMART READY', being his second, fifth and sixth marks (albeit displayed in different cases). The submissions then move on to consider the distinctiveness of the opponent's marks but only focus on the words 'SMART READY', again, covering the opponent's

second, fifth and sixth marks. Lastly in respect of the 5(2)(b) claim, the opponent's submissions regarding a likelihood of confusion focus on his first, second and sixth marks.

22. As I have set out above, the family of marks argument relied upon by the opponent is of no assistance to him in these proceedings. Therefore, I do not consider it necessary to make an assessment under the 5(2)(b) ground in respect of all of the marks relied upon. Bearing in mind what I have said in paragraphs 20 and 21 above and notwithstanding the fact that the opponent's evidence shows limited use of his tenth mark and that his submissions in respect of the goods and services comparison refer to his seventh mark, I will proceed with the 5(2)(b) ground of this decision in assessing the opponent's first, second, fourth, fifth and sixth marks only. If necessary, I will return to consider this point further at the conclusion of my 5(2)(b) assessment.

### **Section 5(2)(b): legislation and case law**

23. Section 5(2) of the Act reads as follows:

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

(a) [...]

(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 or association with the earlier trade mark.”

24. Section 5A of the Act states as follows:

“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.”

25. An earlier trade mark is defined in section 6 of the Act, the relevant parts of which state:

“(6)(1) In this Act an “earlier trade mark” means –

(a) a registered trade mark, international trade mark (UK) or Community trade mark or international trade mark (EC) which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks,

(2) References in this Act to an earlier trade mark include a trade mark in respect of which an application for registration has been made and which, if registered, would be an earlier trade mark by virtue of subsection (1)(a) or (b), subject to its being so registered.”

26. Given their filing dates, the opponent’s marks all qualify as earlier trade marks under the above provisions. As the opponent’s marks had not completed their registration processes more than 5 years before the priority date of the applicant’s mark, they are not subject to proof of use pursuant to section 6A of the Act. The opponent can, therefore, rely upon all of the goods and services for which his marks are registered.

27. The following principles are gleaned from the decisions of the EU courts 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 Office for Harmonization in the Internal Market (Trade Marks and Designs) (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.

### **Comparison of goods and services**

28. The applicant's goods are listed at **paragraph two** above. The goods and services of the opponent's marks are listed in the **Annex** to this decision.

29. When making the comparison, all relevant factors relating to the goods in the specifications should be taken into account. In the judgment of the CJEU in *Canon*, Case C-39/97, the court stated at paragraph 23 that:

“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”.

30. The relevant factors identified by Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, for assessing similarity were:

- (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.

31. The General Court (GC) confirmed in *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T- 133/05, that, even if goods (although it equally applied to services) are not worded identically, they can still be considered identical if one term falls within the scope of another or (vice versa):

“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 fur 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”.

32. In its counterstatement, the applicant admitted that the goods in the applicant's mark's specification are similar to the goods covered by at least some of the opponent's marks. No further submissions were forthcoming on this point and no indication was given as to what level of similarity is accepted and which of the opponent's marks include those similar goods/services. While I will bear this concession in mind, I am still required to proceed to consider the goods/services comparison in full to determine the exact level of similarity (or identity, for that matter). I also note that I have submissions from the opponent regarding the

similarity of the goods and services. While I do not intend to reproduce the submissions in full here, I have taken them into account in making my following assessment.

### Class 6

33. “Metal locks” in the applicant’s specification has a direct counterpart in the opponent’s first mark’s specification. These goods are, therefore, self-evidently identical. Further, the opponent’s second mark’s specification consists of the term “door-locking devices”, which can include devices made of metal. Therefore, these goods can be said to cover the applicant’s term meaning that they are identical under the principle outlined in *Meric*.
34. “Metallic mechanical locks for doors and windows”, “mechanical multi-point door locks of metal” and “mechanical multi-point window locks of metal” in the applicant’s specification are all types of locks that can include those made of metal and, therefore, fall within the broader categories of “metal locks” and “door-locking devices” in the opponent’s first and second marks’ specifications, respectively. As a result, these goods are identical under the principle outlined in *Meric*.
35. “Latches, keys, key blanks” in the applicant’s specification are goods that can be considered either door or window fittings. Further, they can be made of any material (including metal) and, as a result, fall within the broader categories of “fittings of metal for windows and doors” in the opponent’s first and fourth marks’ specifications and “door fittings” and “window fittings” in his second. These goods are, therefore, identical under the principle outlined in *Meric*.
36. I have no evidence or submissions to suggest what “small items of metal hardware” in the applicant’s specification covers. In the absence of such, it is my understanding that these goods can cover metal fittings for windows and doors that can also include items of metal hardware used for security purposes, such as security bolts and hinges. In my view, the applicant’s goods are sufficiently broad enough to cover the terms “fittings of metal for windows and doors” in the opponent’s first and fourth marks’ specifications and “metallic security bolts and

hinges for double glazing systems” in his second. These goods are, therefore, identical under the principle outlined in *Meric*.

37. The applicant’s specification also includes the term “parts and fittings for all the aforesaid goods” at the end of its class 6 list of goods. Firstly, I note that the opponent’s second mark consists of an identical term at the end of its class 6 list of goods. Given that I have found identity between the class 6 goods in the applicant’s specification and those in the opponent’s second mark’s specification, I am of the view that parts and fittings for the applicant’s goods are also identical to the parts and fittings for the goods in the opponent’s second mark’s specification. Further, the goods in the opponent’s first and fourth marks’ specifications subject to the above comparisons are all types of fittings for windows and doors that can also include fitting for locks on the basis that doors and windows are commonly integrated with their own locking device/mechanism. On this basis, I am of the view that opponent’s goods cover the same parts and fittings as covered by the applicant’s term, meaning that these goods are also identical. However, if I am wrong to make this finding, I am of the view that they are similar to a high degree.

#### Class 9

38. “Locks for doors and windows, fittings for doors and windows, all being electrical or electronic”, “electronic multi-point door locks” and “electronic multi-point window locks” in the applicant’s specification cover a range of locks for doors and windows that are electronic. In my view, such electronic goods can also be said to be controlled digitally, meaning that these goods are identical with “digital windows and door locks” in the opponent’s fourth mark’s specification. Turning to consider the class 6 goods in the opponent’s first and second marks’ specification, I am of the view that they do not cover electrical goods and cannot, therefore, be identical. However, I do consider that they share some degree of similarity in that they cover a range of locks and fittings for doors and windows. In my view, the applicant’s goods share a level of similarity with “metal locks” and “fittings of metal for windows and doors” in the opponent’s first mark’s specification, and “door-locking devices”, “window-locking devices”, “door fittings” and “window fittings” in the opponent’s second mark’s specification. While I do not consider that the methods of use

overlap in that the applicant's goods will be controlled via electronic means whereas the opponent's will be controlled manually, they do overlap in nature in that they are all locks or fittings for doors. Further, I consider that they overlap in user and purpose in that they will all be used by members of the general public for the purpose of securing their windows and/or doors. As for trade channels, I consider that the goods overlap here also in that they will all be available via the same retailers and likely be placed in the same sections of those stores. Lastly, I consider that they share a competitive relationship as a user may wish to buy an electronic lock or fitting for their doors or windows over a more traditional one and vice versa. In my view, these goods are similar to a high degree.

39. The applicant's specification also includes the term "parts and fittings for all the aforesaid goods" at the end of its class 9 list of goods. I have set out at paragraph 37 above that the opponent's second mark's specification includes the same term. However, the opponent's parts and fittings will not cover electrical parts, whereas the applicant's will, by virtue of being in class 9. However, they are still similar in that they will include a range of parts and fittings that are used in windows, doors and locks. In my view, while they may differ in nature, their method of use, purpose, user and trade channels will all overlap. Overall, I consider that these goods are similar to a high degree. As for the goods compared with those in the opponent's first and fourth marks' specifications, I consider that they also share a high degree of similarity on the basis that, as discussed at paragraph 37 above, the opponent's first and fourth marks' specifications consist of goods that are considered parts and/or fittings for windows and doors and while they are not electronic, they do overlap in the same factors as discussed above.

#### Class 20

40. The goods in the applicant's class 20 goods are "locks", "non-metallic mechanical locks for doors and windows", "mechanical multi-point door locks" and "mechanical multi-point window locks". Limitation after these goods in that "all the aforesaid goods being made wholly or principally of plastic or other synthetic materials" means that these goods cannot be made of metal. Despite this, these goods still share a level of similarity with "metal locks" in the opponent's first mark's

specification. In my view, there is an overlap in nature between these goods, however, this is less pronounced on the basis that the opponent's goods are metal and the applicant's are not. However, the goods overlap in method of use and purpose in that they are all locks used in the ordinary way for the purpose of securing a door or window. Further, I consider there to be an overlap in users and trade channels in that producers of locks will produce both metal and non-metal locks and they will all be available via the same stores and are likely to be found on the same shelves/sections of those stores. On this point, there is also a level of competition between these goods in that a user may select, for example, a plastic lock over a metal one, or vice versa. Overall, I consider that these goods share a high level of similarity. As for "door-locking devices" and "window-locking devices" in the opponent's second mark's specification and "digital windows and door locks" in the opponent's fourth mark's specification, I am of the view that these are identical to the applicant's goods on the basis that there is nothing preventing these goods from being made from wholly or principally plastic or other synthetic materials.

41. Lastly, as with the other classes of goods in the applicant's specification, its class 20 goods also contain the term "parts and fittings for all the aforesaid goods." As with the goods discussed at paragraph 40 above, this term is followed by the limitation that "all the aforesaid goods being made wholly or principally of plastic or other synthetic materials" meaning that the parts and fittings will not be of metal. Despite this, I consider that the parts and fittings of the applicant's class 20 goods share a level of similarity with "windows fittings of metal and fittings of metal for windows and doors" in the opponent's first and fourth marks' specifications. This is on the basis that, despite being made of different materials, the goods will overlap in nature, method of use, purpose, user and trade channels. Overall, I consider these goods to be similar to a high degree. As for the goods in the opponent's second mark's specification, I have set out above that this mark includes its own "parts and fittings for all the aforesaid" term and given the identity found in respect of the applicant's class 20 goods and the goods in the opponent's second mark's specification, I consider these terms to be identical also.



42. I note that the above comparisons focus on the opponent's first, second and fourth marks' specifications only. For the avoidance of doubt, I have intentionally omitted the terms of the opponent's fifth and sixth marks from the above comparison. While I do consider that there is some degree of similarity between the goods and services in the opponent's fifth and sixth marks' specifications and the applicant's goods, this is less pronounced than the identity/high level of similarity between the goods discussed above. I do not consider it necessary to conduct a full assessment of the goods and services in the opponent's fifth and sixth marks' specifications on the basis that those marks are identical to the opponent's second mark (albeit the sixth mark is presented in title case). It follows that if I find confusion between the opponent's second mark and the applicant's mark in respect of identical goods, then the lesser degree of similarity between the goods and services in the opponent's fifth and sixth mark's specification does not further the opponent's case. Alternatively, if I find no likelihood of confusion on identical goods, it follows that the same finding will apply for goods and services of a lesser degree of similarity. Having said all that, the fifth and sixth marks will still form a basis for my following assessments as I still consider there some degree of similarity between the goods and services in those marks' specifications. Further, the following assessments in respect of those marks will be identical to the assessment I must make in respect of the opponent's second mark. For the avoidance of doubt, should I consider it necessary to do so, I will return to discuss this issue further at the conclusion of the 5(2)(b) ground.

### **The average consumer and the nature of the purchasing act**

43. As the case law set out above indicates, it is necessary for me to determine who the average consumer is for the respective parties' goods. I must then decide the manner in which these goods are likely to be selected by the average consumer in the course of trade. 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] EWHC 439 (Ch), Birss J. 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.”

44. The opponent submits that the average consumer for the goods at issue is the general public who buy locks for their homes and that the degree of attention paid will be low as some of the items will be purchased very cheaply. I agree that the average consumer for the goods at issue will include members of the general public who will buy the goods themselves. However, I am also of the view that the average consumer will also include tradespersons, such as window or door fitters, who will buy the items and install them on behalf of the end user. Regardless of the consumer, the goods at issue will most likely be purchased from bricks-and-mortar shops or DIY merchants where they will be placed on shelves and self-selected by the consumer. The goods may also be purchased through catalogues or online where they will be selected after viewing an image of the goods. These purchases will involve primarily visual considerations. However, I also consider that there may be an aural element to the selection of the goods in the form of advice from sales representatives or word of mouth recommendations.

45. For tradespeople, the purchase of these goods may be frequent. However, for members of the general public, the purchase of these goods will be infrequent. I note that the opponent’s submissions claim that the goods at issue are cheap and while I accept that some goods may be cheap (for example, window latches), I am of the view that, for the most part, the cost of the goods will vary. For example, I am of the view that electronic locks for doors will be reasonably expensive. As for the level of attention paid, I disagree with the opponent in that the goods at issue (even those that are cheap) all relate to locks and windows. In my view, the average consumer is likely to pay a good deal of attention to the selection process as the goods will provide security to their homes or to the security of their customers’ homes. For example, the average consumer is likely to consider the durability and

quality of the goods as well as the materials used to ensure that they are not easily broken thereby resulting in compromised security. Overall, I am of the view that the average consumer is likely to pay a medium degree of attention during the selection process.

### **Comparison of the marks**


46. It is clear from *Sabel v Puma AG* (particularly paragraph 23) that the average consumer normally perceives a trade 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 trade marks must be assessed by reference to the overall impressions created by the trade marks, bearing in mind their distinctive and dominant components.

47. 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.”

48. 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.

49. The respective trade marks are shown below:

The opponent's marks	The applicant's mark
<p data-bbox="311 309 708 398">SMART PREP ("the opponent's first mark")</p> <p data-bbox="274 472 743 613">SMART READY ("the opponent's second and fifth marks")</p> <p data-bbox="296 696 722 846">   ("the opponent's fourth mark") </p> <p data-bbox="304 920 715 1010">Smart Ready ("the opponent's sixth mark")</p>	<p data-bbox="879 640 1289 674">SMART LIVING PREPARED</p>

50. Given that use of a word only mark includes its use in both upper case, lower case or a customary combination of the two, I will consider the opponent's sixth mark together with his second and fifth marks.

51. I have detailed submissions from the parties in respect of the comparison of the marks. However, I do not intend to reproduce these here but have taken them into account in making my following comparisons.

Overall Impression

*The applicant's mark*

52. The applicant's mark is a word only mark consisting of the words 'SMART LIVING PREPARED'. There are no other elements that contribute to the overall impression of the mark, which lies in the words themselves.

### *The opponent's marks*

53. The opponent's first mark is the word only mark, 'SMART PREP'. Its second, fifth and sixth marks are also word marks, being 'SMART READY'. I am of the view that the overall impression of these marks lies in the words themselves. As for the opponent's fourth mark, this is a figurative mark that consists of the words 'Smart' in a standard black typeface and the word 'Ready' in a standard white typeface that sits inside a black obround shape. Despite the contrast between the black and white elements, I am of the view that the words 'Smart Ready' play a greater role in the overall impression of the opponent's fourth mark with the obround shape playing a lesser role.

### Visual Comparison

#### *The opponent's first, second, fifth and sixth marks and the applicant's mark*

54. Visually, the marks share the word 'SMART' that sits at the beginning of them all. The marks differ in the presence of the additional words, being 'PREP' in the opponent's first mark, 'READY' in the opponent's second, fifth and sixth marks and 'LIVING PREPARED' in the applicant's mark. While 'SMART' sits at the beginning of the marks, being where the average consumer tends to focus, the additional words still play prominent roles within their respective marks and will not be overlooked. Overall, I am of the view that the marks are visually similar to a medium degree.

#### *The opponent's fourth mark and the applicant's mark*

55. As with the marks discussed above, these marks share the word 'SMART'/'Smart' that sits at the beginning of them both. The additional words of both marks differ, with the opponent's being 'Ready' whereas the applicant's are 'LIVING PREPARED'. The marks differ further in the presence of the black obround shape that sits behind the word 'Ready'. While this element plays a lesser role in the overall impression of the opponent's mark, it still contributes as a point of visual difference. I also bear in mind that, as a word only mark, the applicant's mark is

capable of being presented in upper case, lower case or any customary combination of the two, in any standard typeface and in any colour. Overall, I am of the view that these marks are similar to a less than medium degree.

### Aural Comparison

#### *The opponent's first mark and the applicant's mark*

56. I have submissions from the opponent that claims that the pronunciation of 'PREP' in his first mark is identical to the beginning of the word 'PREPARED' in the applicant's. While noted, I do not agree that this is the case on the basis that 'PREP' will be pronounced with a short e sound (like 'men' or 'pet', for example) whereas the first syllable in 'PREPARED' will be pronounced with either a schwa sound (in that it will be pronounced 'PRUH') or a long e sound ('PREE').

57. The opponent's first mark consists of two syllables with the first, 'SMART,' pronounced in the ordinary way and the second, 'PREP', pronounced as above. The applicant's mark consists of five syllables with the first three, 'SMART LIVING', pronounced in the ordinary way with the fourth and fifth, 'PREPARED', pronounced as either 'PRUH-PAIRD' or 'PREE-PAIRD'. While the first syllable of the marks are pronounced identically, the remaining syllables are all points of aural difference. Having said that, I do acknowledge that the 'PREP' syllables, while not pronounced identically, do share some similarity, However, they are placed a different points in their respective marks. Further, the differences result in the applicant's mark being a longer mark, although not considerably so. Overall, I consider that these marks are similar to a less than medium degree.

#### *The opponent's second, fourth, fifth and sixth marks and the applicant's mark*

58. While I note the additional device element in the opponent's fourth mark, it will have no impact on the aural pronunciation of that mark. Therefore, it will be pronounced identically to the opponent's remaining 'SMART READY' marks. The opponent's marks consists of three syllables that will be pronounced in the ordinary way. The applicant's mark consists of five syllables that will be pronounced in the way

discussed above. 'SMART' in all of these marks will be pronounced identically and all of the other elements will differ, with no points of similarities between them. Taking all of the differences into account whilst bearing in mind where the identity lies, I am of the view that these marks are similar to between a low and medium degree.

### Conceptual Comparison

59. Across all of the parties' marks, I am of the view that 'SMART' will be understood as a reference to 'smart technology'. While I am conscious not to assume that my own understanding is more widespread than it is, I do not consider it a point of serious dispute to suggest that in the present day, advancements in technology and the growth of 'the Internet of Things' have resulted in 'SMART' becoming readily associated with this concept regardless of what goods or services it is displayed on. For example, it is my understanding that there is a wide range of household items such as doorbells, lighting and kettles that can be controlled via smart technology and I see no reason as to why the average consumer would not believe that this didn't extend to window and door locks also. Therefore, I am of the view that across all of the parties' marks, SMART will be seen as alluding to the fact that the goods at issue have some connection with smart technology.

### *The opponent's first mark and the applicant's mark*

60. Turning to the opponent's first mark, I note that the opponent's submissions argue that 'PREP' will be readily understood as 'PREPARED'. While I do not consider this to be the case on the basis that 'PREP' will be understood as being short for 'PREPARATION', it will have little impact on the conceptual comparison as the concept of 'PREPARED' and 'PREPARATION' is very similar. In light of what I have said about 'SMART' above, I am of the view that both marks will be understood as referring to the fact that the goods at issue are prepared so that they may be used with smart technology. The only conceptual difference comes in the presence of the word 'LIVING' which, in my view, will only have a slight impact in that it reinforces the concept of 'smart living' i.e. living in a way that utilises smart technology. Overall, given that the concept of preparing for smart technology

dominates both marks, I consider that they are conceptually similar to a high degree.

*The opponent's second, fourth, fifth and sixth marks and the applicant's mark*

61. Despite the presence of the device element in the opponent's fourth mark, it is conceptually identical to the second, fifth and sixth marks. I will, therefore, assess them together. 'SMART READY' will have a similar concept to the opponent's first mark in that it will be understood as a reference to goods being ready for smart technology. The concept of the applicant's mark is the same as discussed above. While the marks differ in that the opponent's marks refer to being 'READY' whereas the applicant's refers to being 'PREPARED', they convey broadly the same message. Even taking into account the presence of 'LIVING' in the applicant's mark, I am of the view that these marks are conceptually similar to a high degree.

**Distinctive character of the opponent's marks**

62. 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).”

63. Registered trade marks possess various degrees of inherent distinctive character, ranging from the very low, because they are suggestive or allusive of a characteristic of the goods or services, to those with high inherent distinctive character, such as invented words which have no allusive qualities. The distinctiveness of a mark can be enhanced by virtue of the use made of it. In his notice of opposition, the opponent claimed that his marks have an enhanced level of distinctiveness. However, the opponent’s submissions in respect of the distinctiveness of his marks refer to ‘SMART READY’ only. Further, the evidence filed in these proceedings only refers to the ‘SMART READY’ branding (notwithstanding what I have said about the ‘Are you ready?’ mark at paragraphs 18 and 19 above). While I will consider the position in respect of enhanced distinctiveness of the ‘SMART READY’ marks, I only have the inherent position to consider in respect of ‘SMART PREP’. Before moving to consider the position of enhanced distinctiveness of ‘SMART READY’, I will consider the inherent position for all of the marks at issue.

64. I have set out under my conceptual comparison above as to how I consider the opponent’s marks will be viewed. On the face of it, I consider that ‘SMART PREP’ or ‘SMART READY’ will be understood as allusive to the fact that the goods at issue are ready or prepared for being adapted for use with ‘smart’ technology. As a result, I consider that the inherent position of the marks is that they are distinctive to a low degree. I do not consider that the addition of the obround device in the opponent’s fourth mark will increase this, meaning that it, too, is inherently distinctive to a low degree.

65. Turning now to consider the opponent’s evidence, I note that the opponent’s business was created in January 2019 and its purpose is to allow window and door manufacturers to future-proof their products so that they can receive security and

monitoring technology. The opponent sets out that the 'SMART READY' system was showcased at the 'FIT Show' between 21 and 23 May 2019 at the National Exhibition Centre in Birmingham and that the system was marketed online and on social media from early 2019 onwards. Further, there was a press launch on 27 March 2019 at the opponent's offices. The evidence sets out that 11 magazine editors attended and the opponent was asked to feature in eight articles in trade publications as a result. Information as to the marketing and PR has been documented in a report, a copy of which has been provided in the evidence.<sup>2</sup>

66. From this evidence, I can see that the opponent's Facebook posts between 7 February and 3 April 2019 obtained approximately 125,000 impressions. While noted, I have no explanation as to what 'impressions' mean and it is my understanding that this is how many times the advert has appeared to users regardless of whether it was clicked or not. Further, the evidence shows that the opponent, as at the date these screenshots were taken, only had 131 followers. An issue that I have with this evidence is that Facebook is an international platform so there is no indication that all of these impressions stemmed from users in the UK. This report also shows evidence of articles and adverts in various trade publications, such as Glass and Glazing Products, Glass Times, Glass News, Glass News Online, Window News and Windows Active. All bar one of these adverts/articles (which appears in an April issue) appear to have featured in March 2019 issues. In support of the position in respect of advertising, a summary of marketing and PR spend between January and March 2019 has been provided,<sup>3</sup> that confirms that leading up to the FIT Show, the opponent spent £237,000. In respect of placed/features pieces (being the articles and adverts referred to above), the evidence shows that the opponent spent £30,975. I note that the latter figure covers activity between March and May of 2019.

67. An image of the opponent's stand at the FIT Show in May 2019 is provided.<sup>4</sup> This shows the words 'Smart Ready' displayed prominently. The evidence also sets out that the FIT Show is attended by over 10,000 visitors working in the window and

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<sup>2</sup> Exhibit GL2 of the witness statement of Giovanni Laporta

<sup>3</sup> Exhibit GL3 of *ibid*

<sup>4</sup> Exhibit GL4 of *ibid*

door trade from all over the UK. However, I note that the evidence goes on to state that the FIT Show was attended by over 12,000 people. A print-out from Motionlabs (being a digital agency that was contracted to handle the digital media promotion for the show) have been provided that shows statistics of the reach of the FIT Show 2019.<sup>5</sup> This report shows that the event had an email reach of 4 million, a monthly average impressions on social media of 150,000 and 12,000 unique visitors to the show.

68. Further evidence of articles in trade publications featuring the ‘SMART READY’ system have been provided and I note that these include ‘The Installer’, ‘The Fabricator’, ‘Glass News’ and ‘Window News’, all of which were published between April and June 2019.<sup>6</sup> A print-out from an online blog called ‘Double Glazing Blogger’ is also provided that includes a review of the FIT Show 2019.<sup>7</sup> I note that this includes a positive write up of the ‘Smart Ready’ display. The evidence sets out that the person behind this blog, a Mr Jason Gafton-Holt, is an influential commentator in the industry with over 11,000 followers.

69. The opponent’s evidence sets out that from the exposure of the launch at the FIT Show 2019, the opponent was the focus of follow-up media interest that resulted in a feature on the copy of the front cover of the August 2020 issue of ‘Glass & Glazing Products’ magazine, an issue that also included an interview with the opponent himself.<sup>8</sup> The evidence goes on to discuss a podcast with a link to the same on YouTube that the opponent invites ‘the Opposition Board’ to listen to. I refer to paragraph 4.8.4 of the Tribunal section of the Trade Marks Manual that sets out that evidence with website links “are not acceptable as the Hearing Officer will not undertake any independent research.”<sup>9</sup> To confirm, I have not listened to this podcast.

70. While the above evidence is noted, the opponent has not provided any evidence as to the market share held by his marks. Further, no sales or turnover figures have been provided and there is no evidence of the opponent’s goods available on the

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<sup>5</sup> Exhibit GL6 of *ibid*

<sup>6</sup> Exhibit GL5 of *ibid*

<sup>7</sup> Exhibit GL7 of *ibid*

<sup>8</sup> Exhibit GL8 of *ibid*

<sup>9</sup> <https://www.gov.uk/guidance/trade-marks-manual/tribunal-section>

marketplace. The evidence is limited mostly to a period of January to May 2019 meaning that the use is short lived and certainly not long-standing. However, I note that during this time, there was an intensive effort to promote the brand by the opponent ahead of the FIT Show 2019. This activity resulted in £267,975 an advertising spend and while I note that this is not an insignificant spend, I have no evidence as to the size of the market at issue in order to determine how proportionately significant it was. As for geographical spread, I note that the opponent has sought to promote its brand in a number of trade publications and in an event that clearly has significant reach across the whole of the UK. While this is the case, the opponent has not provided any evidence as to the reach or readership figures of the publications in which its brand was featured. Further, the evidence appears to focus solely on members of the trade. While knowledge amongst members of the trade is capable of contributing towards an enhanced degree of distinctiveness, the evidence is limited to just a few months prior to the relevant date and I am not convinced that it points to a level of knowledge amongst a non-negligible part of the relevant public. In addition, there is no evidence as to the proportion of the relevant section of the public which, because of the opponent's marks, identifies the goods at issue as originating from a particular undertaking. In my view, this is particularly an issue for the opponent as the marks relied upon are inherently low in distinctive character due to their allusive nature. Lastly, while I note there is a positive testimonial from a blogger within the industry, this does not qualify as being either a statement from chambers of industry or from other trade and professional associations.

71. In summary, I do not doubt that the opponent put significant effort into promoting the launch of his brand in early 2019. However, for the reasons set out at paragraph 70 above, I find that the evidence falls short of proving that the opponent's 'SMART READY' marks have been enhanced through use. Therefore, the inherent position applies.

### **Likelihood of confusion**

72. Confusion can be direct or indirect. Direct confusion involves the average consumer mistaking one mark for the other, while indirect confusion is where the

average consumer realises the marks are not the same but puts the similarity that exists between the marks and the goods and services down to the responsible undertakings being the same or related. There is no scientific formula to apply in determining whether there is a likelihood of confusion; rather, it is a global assessment where a number of factors need to be borne in mind. The first is the interdependency principle i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective goods and services and vice versa. As I mentioned above, it is necessary for me to keep in mind the distinctive character of the earlier marks, the average consumer for the goods and services and the nature of the purchasing process. In doing so, I must be alive to the fact that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them that he has retained in his mind.

73. I have found the applicant's goods to be either identical or similar to a high degree with the opponent's goods. I have found the average consumer for the goods to be both members of the general public and members of the trade who will select the goods through primarily visual means, although I do not discount an aural component. I have concluded that the average consumer will pay a medium degree of attention when selecting the goods at issue. I have found that the opponent's marks are inherently distinctive to a low degree and, despite the evidence filed, this has not been enhanced through use. While this is a factor in favour of the applicant, I note that a weak distinctive character of an earlier mark does not preclude a likelihood of confusion.<sup>10</sup> Finally, I have found the marks to be similar to varying degrees, namely I have found the applicant's mark to be:

- a. Visually similar to medium degree, aurally similar to a less than medium degree and conceptually similar to a high degree with the opponent's first mark;
- b. Visually similar to a medium degree, aurally similar to between a low and medium degree and conceptually similar to a high degree with the opponent's second, fifth and sixth marks; and

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<sup>10</sup> *L'Oréal SA v OHIM*, Case C-235/05

- c. Visually similar to a less than medium degree, aurally similar to between a low and medium degree and conceptually similar to a high degree with the opponent's fourth mark.

74. Taking all of the above factors and the principle of imperfect recollection into account, I consider that the visual and aural differences between all of the marks at issue are sufficient to ensure that they will not be misremembered or mistakenly recalled as each other. I make this finding whilst bearing in mind the high degree of conceptual similarity across all the marks but note that the common concept of the marks is not particularly striking in the context of the goods at issue. Consequently, I am satisfied that there is no likelihood of direct confusion between the marks. I make this finding even on goods that are identical and particularly in circumstances where the degree of attention paid is medium. It now falls to me to consider whether there is a likelihood of indirect confusion.

75. In *L.A. Sugar Limited v By Back Beat Inc*, Case BL O/375/10, 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)".

76. In *Liverpool Gin Distillery Ltd & Ors v Sazerac Brands, LLC & Ors* [2021] EWCA Civ 1207, Arnold LJ referred to the comments of James Mellor QC (as he then was), sitting as the Appointed Person in *Cheeky Italian Ltd v Sutaria* (O/219/16), where he said at [16] that "a finding of a likelihood of indirect confusion is not a consolation prize for those who fail to establish a likelihood of direct confusion". Arnold LJ agreed, pointing out that there must be a "proper basis" for concluding that there is a likelihood of indirect confusion where there is no likelihood of direct confusion.

77. While all of the marks at issue consist of the word 'SMART' and allude to preparing for or being ready for smart technology, I do not consider that they will be viewed by the average consumer as different marks from the same or economically linked undertakings. I make this finding on the basis that the word 'SMART' is commonly used when describing goods that are compatible with or controlled via smart technology i.e. Bluetooth or Wi-Fi. Even taking into account the high level of conceptual similarity between the marks, I am of the view that the common concept of being prepared or ready for smart technology is not very distinctive. As a result, the conceptual similarity does not have a particularly striking impact on the issue

of confusion. In my view, the understanding of the word 'SMART' is widespread and its use is common when referring to 'smart goods' across several industries and trades. As a result, I am of the view that when the average consumer is confronted by the marks, even on identical goods, they will consider shared use of the word 'SMART' to be coincidental.

78. In considering the examples of indirect confusion as set out in *L.A. Sugar* (cited above), I do not consider that this is a case that falls within category (a) on the basis that the common element of 'SMART' is not so distinctive that the average consumer would assume that only one undertaking would use it. On the contrary, I consider the average consumer would assume multiple undertakings would use such a word. As for category (b) of *L.A. Sugar*, I see no reason as to why the average consumer would view the different words in the applicant's mark as indicative of a sub-brand of the opponent's marks, or vice versa. While I am of the view that the different words across the marks are not very distinctive, I do not consider that they will be seen as logical indicators of a sub-brand when added to the already low distinctive element of 'SMART'. Finally, in respect of category (c) of *L.A. Sugar*, I do not consider that the differences are logical indicators of a brand extension either. I have submissions from the opponent that 'PREP' is short of 'PREPARED' and while I do not accept this to be the case, even if it was, I do not consider that it assists the opponent. The average consumer would not, in my view, see the alteration of the word 'PREP' to 'PREPARED' (or vice versa) and the addition (or removal) of the word 'LIVING' to (or from) an already low distinctive element ('SMART') as indicative of a brand extension. I consider that the same reasoning applies in respect of 'SMART READY' also.

79. While the categories set out in *L.A. Sugar* above are not exhaustive, I see no other reasons as to why any other form of indirect confusion would arise. Further, I refer to the case of *Duebros Limited v Heirler Cenovis GmbH*,<sup>11</sup> wherein Mr James Mellor Q.C., sitting as the Appointed Person, stated that it was not sufficient that a mark merely calls to mind another mark. This is mere association not indirect confusion. Therefore, even if the consumer were to call to mind the opponent's

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<sup>11</sup> Case BL O/547/17



marks when confronted with the applicant's mark (or vice versa), this is not sufficient to find indirect confusion. Consequently, I do not consider that there is a likelihood of indirect confusion, even where the marks are viewed on identical goods and particularly in circumstances where the degree of attention paid is medium.

80. I have set out at paragraph 22 above that the assessment under the 5(2)(b) grounds was to focus on the opponent's first, second, fourth, fifth and sixth marks. For the avoidance of doubt, I am of the view that my conclusions in respect of a likelihood of confusion also apply to the opponent's third, seventh, eighth, ninth and tenth marks also. In my view, these marks share a lesser degree of similarity with the applicant's mark than those assessed above. However, even if I am wrong to make this finding, they would share, at best, the same degree of similarity with the applicant's mark. Further, I have found the goods assessed above to be mostly identical with the applicant's goods. Given that I have found no likelihood of confusion in respect of identical goods in respect of marks that are, arguably, of a greater degree of similarity with the applicant's mark (or, if not, the same degree), it follows that the same findings will apply to the opponent's remaining marks also, regardless of any further assessment of the goods and services in those marks' specifications.

81. I will now proceed to consider the remaining grounds of the opposition.

### **Section 5(3)**

82. Section 5(3) of the Act states:

“5(3) A trade mark which –

is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a European Union trade mark or international trade mark (EC), in the European Union) and the use of the later mark without due cause would take unfair advantage of, or be

detrimental to, the distinctive character or repute of the earlier trade mark.”

83. 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, *Adidas-Salomon*, Case C-487/07, *L’Oreal v Bellure*, Case C-323/09, *Marks and Spencer v Interflora*, 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 Salomon*, 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 holder 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*).

84. The conditions of section 5(3) are cumulative. Firstly, the opponent must show that his marks have achieved a level of knowledge, or reputation, amongst a significant part of the public. Secondly, the opponent must establish that the public will make a link between the marks, in the sense of the earlier mark being brought to mind by the later mark. Thirdly, assuming the first and second conditions have been met,

section 5(3) requires that one or more of three types of damage claimed by the opponent will occur. It is unnecessary for the purposes of section 5(3) that the goods be similar, although the relative distance between them is one of the factors which must be assessed in deciding whether the public will make a link between the marks.

85. The relevant date for the assessment under the section 5(3) ground is the date of the application at issue, being 26 June 2019.

## **Reputation**

86. In *General Motors*, Case C-375/97, the CJEU held that:

“25. It cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trade mark must be known by a given percentage of the public so defined.

26. The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.

27. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it.

28. Territorially, the condition is fulfilled when, in the terms of Article 5(2) of the Directive, the trade mark has a reputation 'in the Member State'. In the absence of any definition of the Community provision in this respect, a trade mark cannot be required to have a reputation 'throughout' the territory of the Member State. It is sufficient for it to exist in a substantial part of it.”

87. Under his 5(3) ground, the opponent relies on his second mark only. The opponent relies on all goods in that mark's specification and those are set out in the **Annex** to this decision.

88. When considering enhanced distinctiveness under the opponent's 5(2)(b) ground, I summarised the opponent's evidence in detail. That evidence focussed on the 'SMART READY' branding (being the form of the opponent's second mark) for the same set of goods at issue here and the relevant date for the assessment of reputation I must now make is the same as it was for enhanced distinctiveness. As a result, the current assessment of reputation will focus on the same evidence summary, which I do not intend to reproduce in full here.

89. I note that the opponent did not provide any turnover figures and the evidence appears to focus on the build up to the launch of the opponent's 'SMART READY' system. The use demonstrated in the evidence began in January 2019 and continued until May 2019. With the relevant date for this assessment coming on 26 June 2019, the use is, clearly, not longstanding. While I appreciate the efforts of the opponent in launching its brand and the advertising expenditure incurred during this time, the evidence does not show turnover or market share. I refer to the requirements set out in paragraph 27 of *General Motors* (reproduced above) and do not consider that the evidence provided is sufficient to fulfil those requirements. Therefore, I conclude that the opponent not has demonstrated a reputation in his second mark. The opponent's reliance upon the 5(3) ground, therefore, fails.

90. For the avoidance of doubt, even if I were satisfied that the use shown warranted a finding of a reputation that was capable of protection under section 5(3) of the Act, I am of the view that it would have been at a low degree. On this basis, I do not consider that the average consumer would have made a link between the opponent's second mark and the applicant's mark. This is due to the fact that while the marks share some similarity, it is not particularly pronounced or impactful on the basis that the opponent's mark is allusive to goods that are ready for use with smart technology. Further, there is no likelihood of confusion between the marks, and while this is not always fatal to a 5(3) claim, it is a factor that works against the opponent here, particularly when considered with the fact that the opponent's second mark enjoys a low degree of reputation and a low level of distinctiveness. I will now proceed to consider the 5(4)(a) ground.

## Section 5(4)(a)

91. Section 5(4)(a) of the Act reads as follows:

“(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.”

92. Subsection (4A) of Section 5 states:

“(4A) The condition mentioned in subsection (4)(a) is that the rights to the unregistered trade mark or other sign were acquired prior to the date of application for registration of the trade mark or date of the priority claimed for that application.”

93. 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)."

94. Halsbury's Laws of England Vol. 97A (2021 reissue) provides further guidance with regard to establishing the likelihood of deception. In paragraph 636 it is noted (with footnotes omitted) that:

"Establishing a likelihood of deception generally requires the presence of two factual elements:

- (1) that a name, mark or other distinctive indicium used by the claimant 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 indicium which is the same or sufficiently similar that the defendant's goods or business are from the same source<sup>2</sup> or are connected.

While it is helpful to think of these two factual elements as two successive hurdles which the claimant must surmount, consideration of these two aspects cannot be completely separated from each other.

The question whether deception is likely is one for the court, which 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 claimant and the defendant carry on business;
- (c) the similarity of the mark, name etc used by the defendant to that of the claimant;
- (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 deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action”.

### Relevant Date

95. In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11, Mr Daniel Alexander QC, as the Appointed Person, endorsed the Registrar’s assessment of the relevant date for the purposes of section 5(4)(a) of the Act, as follows:

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

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



the position would have been any different at the later date when the application was made.’ ”

96. While the applicant’s mark was applied for in the UK on 8 February 2021, it does have a priority date which, as I have explained at paragraph one above, is the date on which the applicant applied for the mark in the EU. Further, there is evidence that points towards use of ‘SMART LIVING’ by the applicant, however, this is not use of the mark at issue and is not, therefore, evidence of use that is capable of being the beginning of the use complained of. As a result, the relevant date for assessment of the opponent’s claim under section 5(4)(a) of the Act is the applicant’s priority date, being 26 June 2019.

### **Goodwill**

97. The first hurdle for the opponent is that they need to show that they had the necessary goodwill in a business of which its ‘SMART READY’ sign was distinctive at the relevant date. The opponent claims to have used this sign since January 2019 throughout the UK for the goods and services listed in paragraph 8 above.

98. Goodwill was described in *Inland Revenue Commissioners v Muller & Co’s Margarine Ltd* [1901] AC 217 (HOL), in the following terms:

“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.”

99. In *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19 (HC), Pumfrey J. stated:

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

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

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

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

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

101. In *Hart v Relentless Records* [2002] EWHC 1984 (Ch), Jacob J. (as he then was) stated that:

“62. In my view the law of passing off does not protect a goodwill of trivial extent. Before trade mark registration was introduced in 1875 there was a right of property created merely by putting a mark into use for a short while. It was an unregistered trade mark right. But the action for its infringement is now barred by s.2(2) of the Trade Marks Act 1994. The provision goes back to the very first registration Act of 1875, s.1. Prior to then you had a property right on which you could sue, once you had put the mark into use. Even then a little time was needed, see per Upjohn L.J. in BALI Trade Mark [1969] R.P.C. 472. The whole point of that case turned on the difference between what was needed to establish a common law trade mark and passing off claim. If a trivial goodwill is enough for the latter, then the difference between the two is vanishingly small. That cannot be the case. It is also noteworthy that before the relevant date of registration of the BALI mark (1938) the BALI mark had been used “but had not acquired any significant reputation” (the trial judge’s finding). Again that shows one is looking for more than a minimal reputation.”

102. Goodwill arises as a result of trading activities. As was the case with reputation under the 5(3) ground, I will base my assessment of goodwill on the same evidence summarised in detail at paragraphs 65 to 70 above. While the goods and services relied upon under the opponent’s 5(4)(a) ground differ from those under his 5(2)(b) and 5(3) grounds, the summary of evidence already provided above focused on the entirety of the evidence meaning there is nothing further to summarise here. Further, the sign relied upon here is the same as discussed above, being ‘SMART READY’, and the relevant date is the same.

103. Having considered the evidence in respect of the issue of goodwill in full, I see no reason as to why it is satisfactory to prove that the opponent has generated a protectable level of goodwill in his sign. As I have set out throughout this decision, there is no evidence of sales or trading activities of the opponent. On this point, I note that it is not clear whether an advertising campaign featuring a mark can create a protectable goodwill without any actual sales to UK customers.<sup>12</sup> While I bear in mind that there are cases where pre-launch publicity appears to have been

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<sup>12</sup> *Starbucks (HK) Limited and Another v British Sky Broadcasting Group Plc & Others*, [2015] UKSC 31

accepted as sufficient to create an actionable goodwill,<sup>13</sup> I note that at paragraph 3-156 of *Wadlow on the Law of Passing Off*, 6<sup>th</sup> Ed., the plaintiffs in those cases had long-established businesses and goodwills in the UK and the real issue was whether their new marks had become distinctive of those businesses to their UK customers through advertising alone. This is clearly not the case here and while I note the evidence focuses on advertising and publicity, it is of no assistance to the opponent in respect of its claim under 5(4)(a).

104. Even if a protectable level of goodwill was to have been generated and that the goodwill was attributable to the opponent's business upon which the sign relied upon was associated or distinctive for, I do not consider that there would be any misrepresentation and damage. I have found throughout this decision that 'SMART READY' is allusive to goods ready for use with smart technology. On this point, I note that case of *Office Cleaning Services Limited v Westminster Window & General Cleaners Limited* [1946] 63 RPC 39, Lord Simonds stated that:

"Where a trader adopts words in common use for his trade name, some risk of confusion is inevitable. But that risk must be run unless the first user is allowed unfairly to monopolise the words. The court will accept comparatively small differences as sufficient to avert confusion. A greater degree of discrimination may fairly be expected from the public where a trade name consists wholly or in part of words descriptive of the articles to be sold or the services to be rendered."

105. In light of the case law above and given what I have said throughout this decision regarding the word 'SMART' in the context of the goods and services at issue, I am of the view that the differences between 'SMART READY' and 'SMART LIVING PREPARED' are sufficient to avoid misrepresentation. It is, of course, possible for inherently descriptive words to acquire a secondary meaning as a designation of a specific trade origin as a result of extensive use as such.<sup>14</sup> However, this is clearly not the case in the present circumstances as the use is far from extensive and spans only approximately five months prior to the relevant date.

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<sup>13</sup> See *Allen v Brown Watson* [1965] RPC 191 and *BBC v Talbot* [1981] FSR 228

<sup>14</sup> *Phones 4u Ltd v Phone4u.co.uk. Internet Ltd* [2006] EWCA 244 (Civ)

The opponent's 5(4)(a) ground, therefore, fails and I will now proceed to consider the remaining ground, being the 3(6) ground.

### Section 3(6)

106. 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”

107. 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]".

108. An allegation of bad faith is a serious allegation which must be distinctly proved, but in deciding whether it has been proved, the usual civil evidence standard applies (i.e. balance of probability). This means that it is not enough to establish facts which are as consistent with good faith as bad faith: *Red Bull*.

109. 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?

110. I note that the applicant's submissions address the key questions cited above. The response to the first question serves to summarise the opponent's bad faith claim. I will reproduce this below:

"In this case, the Applicant has been accused of filing the contested Application for three reasons:

i) "as a copy of" the Opponent's "Smart Ready trademark and branding" (second paragraph 8 of the second Witness Statement of Giovanni Laporta);

ii) as "a blatant attempt to take advantage of" the Opponent's alleged (but unsubstantiated) "investment, creativity and years of effort" in promoting the Smart Ready certification scheme (paragraph 9 of the second Witness Statement of Giovanni Laporta); and

iii) as "an attempt to circumvent the licensing of" the Opponent's SMART READY brand (paragraph 20 of the Opponent's Statement of Grounds and paragraph 19 of the first Witness Statement of Giovanni Laporta)."

111. The applicant goes on to make submissions defending the bad faith claim. While I do not intend to reproduce these here, I can confirm that I have taken them into account. Further, for the avoidance of doubt, I confirm that I have also given consideration to the opponent's submissions.

112. Moving on to consider the evidence of bad faith, I note that it discusses actions of parties that are employed by Yale Doors and Window Solutions, particularly Mr Paul Robert Atkinson, being its managing director. The evidence sets out that this company is a part of the ASSA ABLOY Group of companies. While not expressly confirmed, it is reasonable to infer that the applicant, being 'Assa Abloy Limited' is also a part of this group of companies. On this point, I refer to the case of *Joseph*



*Yu v Liaoning Light Industrial Products Import and Export Corporation*<sup>15</sup> wherein Professor Ruth Annand, sitting as the Appointed Person held that:

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

113. While it does not appear as though Mr Atkinson has control over the applicant, he is a managing director of a company within the same group of companies. On this basis, I am content to accept that in the event that the evidence shows that Mr Atkinson (or others within the group of companies for that matter) acted in bad faith, those actions can be attributed to the applicant. Bad faith would not, in my view, be avoided simply by the applicant having made the application and not Yale. On this point, I note that the applicant has not sought to avoid the claim of bad faith on the basis that the evidence points to actions of people outside of the applicant.

114. The opponent’s claim in respect of his 3(6) ground as set out in his evidence is summarised as follows:

- a. The applicant became aware of the opponent through the presence of the ‘SMART READY’ stand at the Fit Show 2019. A few weeks after this, the opponent had a meeting with a number of representatives of the applicant and a company called ‘Yale’. The meeting was attended by the opponent himself with Mr Paul Atkinson, Harry Warrender and Andrew Duke attending on behalf of the applicant and Yale. This meeting took place on 21 June 2019 and the opponent claims that the meeting was to discuss the possible licensing of the ‘SMART READY’ mark.
- b. At the meeting, the parties discussed the possibility of the applicant/Yale licensing the opponent’s technology or to design their own technology that met the ‘SMART READY’ standard. The opponent confirms in his evidence that he assumed that the applicant was open to exploring a genuine commercial relationship.

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<sup>15</sup> Case BL O/013/05

- c. Following the meeting, the opponent sent an email to Mr Atkinson on 23 June 2021 wherein he summarised the proposals made at the meeting. Attached to this email were a number of documents, namely an overview document regarding licensing options, a copy of the standard Smart Ready operator license agreement and a signed non-disclosure agreement.<sup>16</sup> Copies of these documents were enclosed with the evidence and are subject to a confidentiality order. In proceedings before the Tribunal, it is possible to refer to confidential documents but to redact the same for the public file. However, I do not consider it necessary to seek to summarise these documents here on the basis that their content is not relevant to the issue at hand.
- d. In the weeks following the sending of this email, the opponent sets out that he had further discussions with the applicant/Yale and, on 2 August 2019, the opponent was informed that the applicant/Yale would not be proceeding further with discussions at this time. It was on that same day that the opponent received an email from his trade mark attorneys regarding the applicant's application to register the mark at issue together with a mark for 'SMART LIVING READY' (an application that was refused by the EUIPO and, before the UK IPO, this was ultimately withdrawn). These applications were filed on 26 June 2019, being five days after the meeting.

115. In response to the bad faith claim, the applicant filed evidence in the form of the witness statement of Mr Paul Robert Atkinson. I have set out above that Mr Atkinson is an employee of Yale, which is part of the same group of companies as the applicant. Mr Atkinson was one of the attendees at the meeting referred to at point (a) of paragraph 114 above. The evidence in respect of the bad faith claim from Mr Atkinson's point of view is summarised as follows:

- a. Mr Atkinson confirms that the meeting did take place on 21 June 2019 and set out that other attendees were those referred to by the opponent and additional members of 'Smart Ready', being Mr Wayne Devine and Ms Gemma Zeiderman. Mr Atkinson also states that Mr Grant Stratford was present at this meeting.

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<sup>16</sup> Exhibit GL9 of the witness statement of Giovanni Laporta

- b. Mr Atkinson explains that he has a working and social relationship with Mr Devine, who was a business partner of the opponent at that time. From this statement, it appears as though Mr Devine is no longer a business partner.
- c. During this time, Mr Devine facilitated a number of meetings on behalf of himself and the opponent with a number of competitor organisations around the fenestration hardware market. Mr Atkinson claims that the opponent and Mr Devine were looking for investment in 'Smart Ready' in the form of licence agreements or joint venture.
- d. At the meeting on 21 June 2019, Mr Atkinson confirms that 'Smart Ready' was discussed and explored by the applicant as a possible interest to complement its own range. However, Mr Atkinson states that it soon became clear that the technology was at a very early concept stage only and, as a result, 'Smart Ready' held only limited attractiveness to the applicant.
- e. Mr Atkinson states that the technology was of particular interest to Yale and not the trade mark 'Smart Ready'. Further, Mr Atkinson states that the trade mark did not feature in the discussions as it was recognised that the applicant would launch any product under either the Yale or Yale Smart Living branding.
- f. The opponent requested sums of several millions of pounds for various forms of agreement with the applicant in order to licence the 'Smart Ready' technology. The amounts requested and the cost implication of adapting the applicant's products to make the relevant additions meant that it was not possible to reach an agreement with the opponent. Due to the fact that the technology was only at an early concept stage, it would have meant that Yale would have been required to do all of the development work and Mr Atkinson was certain that they would be unable to get this 'signed off' within the applicant's corporate structure.
- g. Evidence has been provided of print-outs from Yale's website that refers to its own 'Smart Living' range of goods.<sup>17</sup> I note that the print-out is dated 18 February 2022 but the top of the page indicates that the article is from the 2015 News section of the website. Further, there is a marketing plan provided that is dated April 2015 that shows 'Yale Smart Living' branding.<sup>18</sup>

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<sup>17</sup> Exhibit PRA1 of the witness statement of Paul Atkinson

<sup>18</sup> Exhibit PRA2 of *ibid*

- h. Mr Atkinson sets out that the applicant's mark, being 'SMART LIVING PREPARED' was devised to create a name that was continuous with its already existing 'Smart Living' brand. There is also additional evidence from 2015 that shows that the applicant was engaged in research into the 'smart home' market in the UK.<sup>19</sup>
- i. Lastly, Mr Atkinson discusses the Yale brand history and sets out that it is a household brand in the field of locks. He goes on to explain that it is his understanding that the applicant rarely registers marks that consist of 'YALE' and a sub-brand combined. Mr Atkinson claims that this is done to protect the applicant's sub-brands. To support this claim, he provides an example of the 'YALE RAPIDE' window lock<sup>20</sup> that is registered in the UK as 'RAPIDE' only.<sup>21</sup>

116. In giving evidence in reply, the opponent claims that the applicant took an aggressive tone in their meetings and that he felt as though they wanted to dictate the terms of any agreement. There is some dispute in the opponent's evidence in reply as to what was being offered by the opponent at the meetings. The opponent disputes Mr Atkinson's claim that 'Smart Ready' did not feature in any specific discussions and refers to the fact that the cover email dated 23 June 2019 which refers to 'Smart Ready' in the body of the email and a licence to use the 'Smart Ready' brand was clearly offered to them. I am not convinced that its mention in an email and the inclusion of draft agreements is sufficiently clear evidence as to what was discussed at the meeting and in precisely what terms.

117. The evidence in reply also goes into use and demonstrations in relation to a product called 'Space' but I have no indication as to what this is or its relevance to these proceedings. Further, the opponent discussed the claim by Mr Atkinson that any use would be under the 'Yale Smart Living' branding but questions why they then applied for 'Smart Living Prepared', being a copy of its 'Smart Ready' branding. Firstly, I do not consider the 'Smart Living Prepared' is a copy of the opponent's 'Smart Ready' branding and, secondly, such use would, in my view,

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<sup>19</sup> Exhibit PRA3 of *ibid*

<sup>20</sup> Exhibit PRA5 of *ibid*

<sup>21</sup> Exhibit PRA6 of *ibid*

still be under the opponent's 'Smart Living' branding, whether it is used in conjunction with 'Yale' or not.

118. The opponent's evidence in reply also goes into actions by the applicant in 2021 and 2022 regarding use of 'Yale Smart Prepared'.<sup>22</sup> This evidence is dated significantly after the relevant period and claims of bad faith are subject to the intention of the applicant as at the date of the application at issue. However, I note that evidence regarding subsequent events may be relevant if they cast light backwards on the position at the relevant date.<sup>23</sup> While this may be the case, I do not consider that this applies here. Firstly, both the video evidence<sup>24</sup> and the article referred to<sup>25</sup> show use of 'Yale Smart Prepared'. Use of this mark is not subject to the present opposition and, further, I note that the use features the separate and distinctive element 'Yale'. This evidence does not, in my view, assist the opponent. Secondly, where 'Smart Prepared' is used without reference to 'Yale', it is in a promotional video wherein the sentence reads "Yale Smart Sensors can be fitted to every Smart Prepared window in the home".<sup>26</sup> I am not convinced that this single use in a promotional video (wherein Yale Smart Prepared is used also) points to bad faith.

119. It can be determined from the evidence that the applicant had, in 2015, been using the 'Smart Living' branding and that it had identified smart windows and doors as an avenue for expansion in the future. While there is nothing to suggest continued use of 'Smart Living', its use in the application at issue is not novel to the applicant. In respect of the applicant's knowledge as at the date of the application at issue, it is clear that it was aware of the opponent and the opponent's 'SMART READY' branding. Further, the evidence from both parties confirms that the parties engaged in preliminary discussions in respect of the possibility of the applicant using the opponent's 'SMART READY' systems. The opponent, on 23 June 2019, sent some preliminary agreements and documentation to the applicant. While it is disputed whether the use by the applicant that was proposed during this time was

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<sup>22</sup> Exhibits GL11 to GL13 of the second witness statement of Giovanni Laporta

<sup>23</sup> *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).

<sup>24</sup> Exhibit GL11 of the second witness statement of Giovanni Laporta

<sup>25</sup> Exhibit GL13 of *ibid*

<sup>26</sup> The still from the video file (Exhibit GL11) is reproduced by the opponent at Exhibit GL12 of *ibid*

intended to be under the 'SMART READY' branding or not, the discussions were not successful and no agreement was reached. It was five days after this that the applicant filed an application at the EUIPO for 'SMART LIVING PREPARED', being the application that is now at issue in these proceedings. While I appreciate the timing of the application may potentially be seen as indicative of an act of bad faith, I have nothing to suggest that it was made upon the applicant discovering the existence of the opponent's branding in order to circumvent the licensing of 'SMART READY'. On this point, I appreciate that trade mark applications take some time to process and submit, particularly when filed by legal representatives. While I have no evidence to confirm as such, it is not, in my view, unrealistic to suggest that the application was in motion prior to the meeting taking place. Lastly, I note that the submissions of the applicant set out that while the evidence could be said to show bad blood between the parties, they do not constitute a finding that there has been bad faith on the part of the applicant. I am minded to agree with these submissions. My reasons follow.

120. It is clear from the evidence that the applicant was aware of the opponent and the opponent's branding prior to making the application at issue. However, the mere fact that the applicant knew the opponent used 'SMART READY' as a trade mark in the UK does not establish bad faith.<sup>27</sup> The opponent has pleaded that the applicant, by filing its application, sought to circumvent licensing the opponent's brand. However, while there are elements of similarity between the marks in the shared use of the allusive element 'SMART', the applicant filed an application for a mark that was different to that of the opponent. In the present circumstances and particularly taking into account all of the above, I am not convinced that filing of a different mark is an attempt to circumvent the licensing of the opponent's 'SMART READY' branding.

121. In respect of the applicant's enquiries with the opponent, I am of the view that it was entitled to make those enquiries regarding the 'Smart Ready' technology and, if it was the case that the applicant did not wish to proceed with an agreement with the opponent, be that for monetary reasons or other reasons, it was open to explore other options. Further, the applicant's use of its 'Smart Living' branding as

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<sup>27</sup> See paragraph 40 of *Lindt*

early as 2015 and its identification of smart locks and windows as potential business avenues around the same time indicate that the 'SMART LIVING' branding was already part of the applicant's portfolio of brands (regardless of whether use was consistent between 2015 and the relevant date, or not). In my view, the addition of 'PREPARED' to an already existing branding in its line-up is not unsurprising and, does not, in my view qualify as an act that is consistent with bad faith, particularly given that the focus of the discussions prior to the application focused on the 'SMART READY' branding, not 'SMART PREP'. I see no reason why the applicant's mark would be seen as an attempt to circumvent licensing the opponent's mark, particularly given the common use of 'SMART' across several trades and industries. On this point, I have no evidence to suggest that prior to filing for its mark in the EU (being the priority date of the now opposed mark), the applicant was aware of the existence of the opponent's 'SMART PREP' branding. In my view, the explanations given by the applicant in its evidence surrounding the circumstances complained of are plausible and in line with its objectives to expand into smart locks and windows and follow a commercially ethical logic.

122. While these points have not been expressly pleaded by the opponent, I have considered the evidence as to whether it shows the applicant's mark was applied for as a negotiating tool. While I appreciate that there were ongoing negotiations around this time, the applicant does not appear to have used the filing of its mark as a negotiation tool. On this point, I note that the applicant withdrew from the negotiations and does not appear to have sought any further contact with the opponent since then. Further, I note that the existence of the applicant's mark does not prevent the opponent from using his own range of marks or operating his business within the UK.

123. I note that throughout these proceedings, there has been reference to an application for the mark 'SMART LIVING READY' by the applicant. While it could be said that this mark is closer to the opponent's second mark, the application was ultimately withdrawn in the UK. For the avoidance of doubt, the reasoning behind this application does not form any part of these proceedings. Any evidence or submissions directed at this mark are, therefore, discounted.

124. Taking all of the above into account, I am not satisfied that the opponent has proven that the applicant has acted in bad faith. As alluded to in the case law cited above, a claim of bad faith is serious allegation and must be distinctly proved. I do not consider that, on the balance of probabilities, the opponent has proven this. Therefore, the opponent's 3(6) ground fails in its entirety.

## **CONCLUSION**

125. The opposition fails under all of the grounds relied upon. As a result, the application may proceed to registration for all goods applied for.

## **COSTS**

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

Considering the notice of opposition and preparing a counter statement:	£300
Preparing evidence:	£500
Preparing submissions in lieu of a hearing:	£400
<b>Total</b>	<b>£1,200</b>

127. I therefore order Giovanni Laporta to pay Assa Abloy Limited the sum of £1,200. This sum should be paid within 21 days of the expiry of the appeal period or, if there is an appeal, within 21 days of the conclusion of the appeal proceedings.

**Dated this 27<sup>th</sup> day of July 2022**

**A COOPER**  
**For the Registrar**



## **ANNEX**

### *The opponent's first mark*

#### Class 6

Metal locks; door fittings of metal; windows fittings of metal and fittings of metal for windows and doors.

#### Class 37

Installation and construction of doors and windows; Custom construction of homes; Construction of buildings.

### *The opponent's second mark*

#### Class 6

Security window and door hardware locks for window and door systems. Metallic doors; door-locking devices; windows made of metal; window-locking devices; security grilles; security gates; security shutters; door fittings; window fittings, metal hinges and stays for doors and windows; safety fittings for windows and doors; anti-slam devices made of metal for windows and doors; finger guards for windows and doors; door and window parts; furniture and architectural fittings; metallic security bolts and hinges for double glazing systems; locks and latches; parts and fittings for all the aforesaid goods.

### *The opponent's third mark*

#### Class 6

Locks [other than electric] of metal; Locks and keys, of metal; Locks of metal; Locks of metal for bags; Locks of metal for handbags; Locks of metal for vehicles; Locks of metal, other than electric; Locksets of metal; Bicycle locks of metal; Cylinder locks of metal; Door locks; Keys (Metal -) for opening locks; Metal bicycle locks; Metal bump keys for locksmithing; Metal keys for locks; Metal locks [non electric]; Metal locks for doors; Metal locks for windows; Metal locksets; Metal sash locks; Non-electric locks made of metal; Non-electric locks of metal; Locks [other than electric] of metal; Locks

and keys, of metal; Locks of metal; Locks of metal for bags; Locks of metal for handbags; Locks of metal for vehicles; Locks of metal, other than electric; Locksets of metal; Door locks; Metal locks for doors; Metal locks for windows.

#### Class 9

Locks (electric) for bicycles; Locks [electric] with alarms; Locks, electric; Locks, electronic; Biometric fingerprint door locks; Card operated electronic locks; Combination locks (non-metallic -) [electric]; Digital door locks; Door locks (Electric -); Electric locks; Electric locks for vehicles; Electrical locks; Electronic door locks; Electronic locks; Fingerprint door locks; Mechanical dialling locks [electric]; Mechanical locks [electric, metal]; Mechanical locks [electric, non-metallic]; Metal locks [electric]; Motor vehicle power locks; Locks (electric) for bicycles; Locks [electric] with alarms; Locks, electric; Locks, electronic; Door locks (Electric -); Electric locks; Electrical locks; Electronic door locks; Electronic locks; Metal locks [electric].

#### Class 20

Locks [other than electric], not of metal, for vehicles; Locks and keys, non-metallic; Locks, not of metal, for vehicles; Locks, other than electric, not of metal; Combination locks (Non-metallic -) for vehicles; Combination locks (non-metallic -) [non-electric]; Cremone bolts of non-metallic materials for locks; Cylinder locks made of non-metallic materials; Furniture locks (Non-metallic -); Keys (Non-metallic -) for opening locks; Mechanical locks [non-electric, non-metallic].

*The opponent's fourth mark*

#### Class 6

Door fittings of metal; windows fittings of metal and fittings of metal for windows and doors.

#### Class 9

Digital windows and door locks; Computer hardware for windows and doors. Electric sensors for monitoring, actuating and controls. Downloadable software application for connecting, operating, and managing doors and windows, automotive car parts, control motors and sensors.

### Class 35

On-line retail store services connected to the sale clothing, white goods, electronic sensors, automotive car parts, telecommunication goods, computer hardware, windows and door hardware and, window and doors, domestic electronic goods.

### Class 37

Installation and construction of doors and windows; Custom construction of homes; Construction of buildings.

### Class 42

New Product design services; Product development; Testing, analysis, and evaluation of the goods and services of others to determine conformity with product guarantee, preparation and certification standards. Developing quality control standards for clothing, bags, household utensils, white goods, glass and plastic containers, vehicles, automotive parts, telecommunication goods, control motors, garden equipment, computer hardware, wiring loom, windows and doors, electronic goods, electronic sensors, furniture and buildings. Product conformity; product approval; development of testing and installation methods. Non-downloadable software. House design and planning. Building Design. Certification standards of goods and services.

### Class 45

Company registration and certification services.

*The opponent's fifth mark*

### Class 6

Windows and doors.

*The opponent's sixth mark*

### Class 35

On-line retail store services featuring clothing, white goods, electronic sensors, automotive car parts, telecommunication goods, computer hardware, windows and door hardware, window and doors, domestic electronic goods.

### Class 37

Installation of doors and windows; Custom construction of homes; Construction of buildings.

### Class 42

New product design services; Product development; Testing, analysis, and evaluation of the goods and services of others to determine conformity with product guarantee and preparation and certification standards. Developing, preparation and quality control standards for clothing, household utensils, white goods, glass and plastic containers, vehicles, automotive, telecommunication goods, control motors, garden equipment, computer hardware, windows and doors, electronic goods, electronic sensors, building design, furniture. Product conformity; product approval; development of testing installation methods. Non-downloadable software. certification of goods and services; house design and planning; building design.

*The opponent's seventh mark*

### Class 6

Door fittings of metal; windows fittings of metal and fittings of metal for windows and doors.

### Class 37

Installation and construction of doors and windows; Custom construction of homes; Construction of buildings.

### Class 42

New Product design services; Product development; Testing, analysis, and evaluation of the goods and services of others to determine conformity with product guarantee, preparation and certification standards. Developing quality control standards for clothing, bags, household utensils, white goods, glass and plastic containers, vehicles, automotive parts, telecommunication goods, control motors, garden equipment, computer hardware, wiring loom, windows and doors, electronic goods, electronic sensors, furniture and buildings. Product conformity; product approval; development of testing and installation methods. Providing online non-downloadable software.

House design and planning. Building Design. Certification standards of goods and services.

Class 45

Company registration and certification services.

*The opponent's eighth mark*

Class 6

Door fittings of metal; windows fittings of metal and fittings of metal for windows and doors.

Class 37

Installation and construction of doors and windows; Custom construction of homes; Construction of buildings.

Class 42

New Product design services; Product development; Testing, analysis, and evaluation of the goods and services of others to determine conformity with product guarantee, preparation and certification standards. Developing quality control standards for clothing, bags, household utensils, white goods, glass and plastic containers, vehicles, automotive parts, telecommunication goods, control motors, garden equipment, computer hardware, wiring loom, windows and doors, electronic goods, electronic sensors, furniture and buildings. Product conformity; product approval; development of testing and installation methods. Providing online non-downloadable software. House design and planning. Building Design. Certification standards of goods and services.

*The opponent's ninth mark*

Class 6

Door fittings of metal; windows fittings of metal and fittings of metal for windows and doors. Windows and doors.

### Class 42

New Product design services; Product development; Testing, analysis, and evaluation of the goods and services of others to determine conformity with product guarantee, preparation and certification standards; Developing quality control standards for clothing, bags, household utensils, white goods, glass and plastic containers, vehicles, automotive parts, telecommunication goods, control motors, garden equipment, computer hardware, wiring loom, windows and doors, electronic goods, electronic sensors, furniture and buildings; Product conformity; product approval (testing); development of testing and installation methods; the provision of non-downloadable software; House design and planning; Building Design; Certification standards (quality control) of goods and services.

*The opponent's tenth mark*

### Class 6

Door fittings of metal; windows fittings of metal and fittings of metal for windows and doors. Windows and doors.

### Class 37

Installation and construction of doors and windows; Custom construction of homes; Construction of buildings.

### Class 42

New Product design services; Product development; Testing, analysis, and evaluation of the goods and services of others to determine conformity with product guarantee, preparation and certification standards. Developing quality control standards for clothing, bags, household utensils, white goods, glass and plastic containers, vehicles, automotive parts, telecommunication goods, control motors, garden equipment, computer hardware, wiring loom, windows and doors, electronic goods, electronic sensors, furniture and buildings. Product conformity; product approval; development of testing and installation methods. The provision of on-line non-downloadable software. House design and planning. Building Design. Certification [quality control] of goods and services.