BL O/0067/24

IN THE MATTER OF THE TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATIONS NUMBER 3,702,428 AND 3,702,422 IN THE NAME OF ONTEL PRODUCTS CORPORATION

AND IN THE MATTER OF AN OPPOSITION UNDER NUMBERS 433,635 and 433,639 IN THE NAME OF ARDUTCH BV

AND IN THE MATTER OF AN APPEAL FROM THE DECISION OF LEANNE FAYTER (O/633/23) DATED 3 JULY 2023

DECISION

Introduction

1. This is an appeal from the decision of Ms Leanne Fayter, for the Registrar, dated 3 July 2023 (O/633/23). Ardutch BV unsuccessfully opposed the registration of Ontel Products Corp to register two trade marks, ARCTIC AIR PURE CHILL (No 3,702,428) and ARCTIC AIR FREEDOM (No 3,702,422), under section 5(2)(b) of the Trade Marks Act 1994. Ardutch appeals.

2. The applications for ARCTIC AIR PURE CHILL and ARCTIC AIR FREEDOM are both for the following goods in Class 11:

> Personal portable humidifier and air purifier in the nature of a cooling device; fans and personal cooling fans.

3. Ardutch BV opposed this application based on its earlier mark ARCTIC (No 902,021,211). While the mark is registered for a number of goods, Ardutch only established use in relation to the following goods (Decision, [34]):

> Class 7
> Washing machines; tumble dryers; dishwashers.
>
> Class 11
> Gas and/or electric cookers; cookers; refrigerators; freezers; stoves; ovens; tumble dryers; cooker hoods; freezers and refrigerators

4. The Hearing Officer found that none of the goods covered by the two applications was similar to any of the goods used and covered by the earlier ARCTIC mark. Accordingly, the opposition did not proceed beyond the comparison of goods.

Standard of appeal

5. The standard of appeal is by way of review. Neither surprise at a Hearing Officer's conclusion nor a belief that he or she has reached the wrong decision will suffice to justify interference in this sort of appeal. Before that is warranted, it is necessary for me to be satisfied that there was a distinct and material error of principle in the decision in question or that the Hearing Officer was wrong. The principles to be applied were summarised by Joanna Smith J in *Axogen Corporation v Aviv Scientific Ltd* [2022] EWHC 95 (Ch) at [24] and, accordingly, the decision of the Hearing Officer should stand unless I am satisfied that the Hearing Officer's conclusion is outside the bounds within which reasonable disagreement is possible. When considering this appeal, and applying these principles, it is important to remember the high bar set.

Grounds of appeal

6. The Appellant's skeleton argument while more expansive is based around one ground of appeal, namely that the Hearing Officer failed to take into account the Appellant's evidence that it sold both air conditioning units and freezers. This, the Appellant submits, taints the finding that the same undertaking would not produce all the relevant goods. This, it is said, in turn undermines the finding on the similarity of the goods. The relevant finding and conclusion of the Hearing Officer can be found in Decision, [41] and [42]. I have emboldened the only factual finding which is challenged:

> *Personal portable humidifier and air purifier in the nature of a cooling device*
> 41. The applicant's humidifiers are used to increase moisture in the air, and air purifiers are used to trap airborne particles which filters the air. I therefore do not consider that any of the opponent's goods overlaps with the applicant's above goods. Its best comparison would be with the opponent's "refrigerators" and "freezers" on the basis that the applicant's goods are stated to be "in the nature of a cooling device". However, they are to be used in such different ways, one to keep the user's produce such as foods and drink, cool, and the other to keep the user cool, that I do not consider that they overlap in nature and purpose. They clearly do not overlap in method of use. **I also do not consider that the same undertaking would produce all of the goods**, and they are neither in competition nor complementary. I consider that the goods may overlap in distribution channels, as general undertakings will sell a range of appliances, including all of the above the goods. However, they would not be sold within the same aisle, or near each other. I consider that the goods are dissimilar. Fans and personal cooling fans.
>
> *Fans and personal cooling fans*
> 42. The applicant's above goods are used to circulate air around the room, which in turn cools the air down, and creates a more comfortable environment for the user. I therefore consider that the same comparison applies in paragraph 41 above. I consider that the opponent's goods and applicant's goods are dissimilar.

7. The Respondent submits that the challenge to this factual finding was not in the Notice of Appeal (TM55) and so this ground of appeal is not open to the Appellant. I disagree. While it is slightly opaque, I think this ground is supported by paragraphs 9 and 10 of TM55:

> We submit that the UKIPO's decision in paragraph 41 indicating the goods "…clearly do not overlap in method of use. I also do not consider that the same undertaking would produce all of the goods, and they are neither in competition nor complementary" to be simply incorrect.
>
> Both the Appellant and the Respondent are in the business of providing cooling and refrigeration. Both parties use the same technology, or substantially the same technology.

8. Accordingly, the Appellant can pursue this ground of appeal.

9. The Appellant is challenging the finding that the relevant goods might be made by the same undertaking, on the limited basis that the finding was made contrary to the evidence before the Hearing Officer.

10. This narrow challenge is appropriate in light of the comments of Daniel Alexander QC, sitting as the Appointed Person, in *O2 Holdings Ltd's Trade Mark Application* [2011] RPC 22, [60]:

> In the context of an appeal, once an experienced Hearing Officer has made an evaluation, an appellate tribunal needs to have very sound reasons for substituting its own view and implicitly thereby saying that it is better equipped with knowledge of the relevant field of commerce to evaluate the mark than the Registrar.

11. In the absence of relevant evidence, I am clearly in no better position than the Hearing Officer to determine whether the relevant goods would be produced by the same undertaking, and so there is no basis for me overturn her decision and substitute a different view.

The evidence

12. The evidence in question comes from the witness statement of Gabriel Eremia. In his statement, he says that the trade mark ARCTIC was used on a range of domestic appliances, including air conditioning units (GE, [7]). He also includes various sales figures for the company which include sales of Air Conditioners (GE, [8]); these tables are reproduced at Decision, [19]. He goes on to say that air conditioning units were sold by the Appellant under the mark ARCTIC from 2007-10 (GE, [17]). It is conceded by the Appellant that while air conditioners have continued to be sold by the Appellant, this has not been under the mark ARCTIC after 2010.

13. The evidence does not tell us anything else about the air conditioning units sold. Using the figures provided by Mr Eremia (and set out in Decision, [19(c) and (d)]) it is possible to calculate that the unit price of the air conditioners in 2021 was about €200 (by dividing the number of units sold by the product income). This is not the retail price. It is not possible to know what mark up there might be before the product reaches market. But it is clear that air conditioners are one of the more expensive items sold by the Appellant as the per unit price of other goods is lower: see, for instance, ovens (€152), chest freezers (€167), and dishwashers (€196).

Is the evidence relevant?

14. The Hearing Officer would need to have considered Mr Eremia's evidence only if it is relevant to deciding whether the goods at issue are produced by the same undertaking.

15. In essence, the Appellant submits that the evidence might be relevant in two alternative ways. The first way would be that air conditioning units fall within the scope of the Respondent's specification — "personal portable humidifier and air purifier in the nature of a cooling device; fans and personal cooling fans"— that is, the goods are identical. Accordingly, the evidence of Mr Eremia would be relevant as it showed that

at least one substantial undertaking did in fact produce both freezers and refrigerators and the goods covered by the Appellant's specification.

16. The second way the evidence might be relevant, according to the Appellant's line of argument, was more remote. It relies on a number of mental steps. The first step requires an acceptance that air conditioning units and "personal portable humidifier and air purifier in the nature of a cooling device; fans and personal cooling fans" are so closely related that the manufacturer of one of the types of goods is likely to manufacture the other type of goods. The second step is that while Mr Eremia's evidence shows only that air conditioning units are made by the Appellant, it can be inferred that competitors of the Appellant in the market for air conditioners are also likely to make goods within the Respondent's specification because the goods are so similar to air conditioners. Finally, because it can be shown the Appellant sells air conditioners and freezers, it is reasonable to assume these other unspecified competitors would sell goods within the Respondent's specification as well as freezers and refrigerators.

17. The complexity of this reasoning demonstrates how inappropriate it would be to adopt. The comments of Mr Eremia are little more than a bald statement that relatively highly priced air conditioning units are sold by the Appellant. This is simply not enough evidence to take all the necessary mental steps and make all the assumptions necessary to make the evidence relevant.

18. This leaves me to consider the more straightforward question; that is, do air conditioning units fall within the scope of the Respondent's specification? If the answer is no, then Mr Ermeia's evidence is not relevant, and the Hearing Officer cannot be criticised for failing to take it into account. I will now look at the goods in question, albeit in the order opposite to that taken by the Hearing Officer.

Fans and personal cooling fans

19. I accept that air conditioning units would be in competition with fans and personal cooling fans. I also accept that cooling fans would be similar goods (to some degree) to air conditioners for the purposes of an assessment of the similarity of the goods, but I cannot see how unspecified air conditioning units can be taken to be identical to fans.

20. I take this view for the following reasons: personal fans are likely to be much cheaper than air conditioners; cooling fans work in an entirely different way from air conditioning; they are more portable in that they can be carried and taken from place to place more easily; and fans are probably less effective on hotter days as eventually they just circulate hot air (rather than cooling the air).

Personal portable humidifier and air purifier in the nature of a cooling device

21. The issue in relation to "personal portable humidifier and air purifier in the nature of a cooling device" is more complicated. A "cooling device" without more would extend to air conditioning units. The issue then becomes whether the other words in the specification are such that it excludes air conditioners.

22. There is no evidence before me as to how air conditioning units work. However, I think it is possible to take notice of the fact that air conditioners involve the cooling of air, and when air cools significantly it causes condensation. This means air conditioning in its normal operation removes water from the air. It is therefore clearly not a humidifier, which seeks to do precisely the opposite. In addition, I think I can take notice of the fact that air conditioners do usually filter the air, that is, they purify the air.

23. I also accept that there can be portable air conditioning units. But the meaning of portable is one of degree. Portable air conditioning units are still quite heavy. They can be moved around inside a house or office, but they are not the sort of appliance that would be moved from one building to the next routinely. For instance, a person is very unlikely to bring their portable air conditioner from home to the office on a hot day and take it home that evening.

24. The word "personal", on the other hand, suggests that the device is for an individual. I believe the word personal also affects the meaning of portable in that it suggests that the device is one which can be easily transported by an individual alone. In relation to portable air coolers, the qualification of "personal" suggests the appliance is designed to be moved from one building to another. And so, it is precisely the sort of thing that a person might bring from home to the office on a hot day.

25. In summary, I accept that air conditioning units are cooling units and that they filter the air, but the rest of the Respondent's specification suggests against it covering these goods. Therefore, air conditioners do not fall with the Respondent's specification.

26. Accordingly, it is my view Mr Eremia's evidence was not sufficiently relevant to the issue before the Hearing Officer and she was not obliged to consider it. I therefore dismiss this ground of appeal.

Other matters

27. In its Grounds of Appeal and its Skeleton Argument, the Appellant challenges the Hearing Officer's decision on the basis that it was inconsistent with a decision of the EUIPO Opposition Division (B 3 144 621). The decision of the Opposition Division relates to the same marks as these proceedings, and it concluded in relation to similarity of goods that (at p. 2):

> Even if these goods have a different purpose, they have a similar if not identical nature, as they are all household appliances relating to cooling technology. The often coincide in their producers and distributors. Furthermore, these goods are commonly offered for sale in the same specialised shops or in the same sectors of department stores.

28. In the end, this line of argument was not pursued during the hearing. This was because the Appellant accepts, as the Respondent rightly points out, the opinion of another tribunal on a factual issue is not admissible evidence to support a finding of fact or evaluative finding in these proceedings. This is by reason of the rule from *Hollington v Hewthorn* [1943] KB 587 (also see *BANDIT* (O/197/23), [13] to [18]).

29. This all means, in summary, that any factual or other findings reached by the Opposition Division did not affect the freedom of a Hearing Officer to rely on her own understanding of the marketplace when reaching her decision. Accordingly, even if the issue had been pursued, the fact the Hearing Officer came to a totally different conclusion from that of the EUIPO Opposition Division over the similarity of the goods in issue is not a ground to criticise her reasoning.

Conclusion

30. I have dismissed the appeal in its entirety, and I uphold the Hearing Officer's decision to dismiss the opposition.

31. Since the appeal has been dismissed, the Respondent is entitled to a contribution towards its costs. I therefore order the Appellant to pay the Respondent £1,500 (together with the £1,050 of costs awarded below) within 14 days of the date of this decision.

PHILLIP JOHNSON
THE APPOINTED PERSON
29 January 2024

Representation

For the Appellant: Mr Rowland Buehrlen of Beck Greener

For the Respondent: Ms Becky Knott of Counsel (instructed by Kilburn & Strode LLP)