

O/1025/24

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NOS. 3849191 AND 3849192
IN THE NAME OF CASTLE WATER LIMITED
IN RESPECT OF THE TRADE MARKS**

CASTLE WATER

&



IN CLASSES 35 & 39

AND

**THE CONSOLIDATED OPPOSITIONS THERETO UNDER NOS. 439693 & 439695
BY MARIUS SIMKUS**

AND

**IN THE MATTER OF REGISTRATION NO. 3438156
IN THE NAME OF MARIUS SIMKUS
IN RESPECT OF THE TRADE MARK**

CASTLE WATER

IN CLASSES 35 & 39

AND

**THE CONSOLIDATED APPLICATION FOR THE INVALIDATION THEREOF
UNDER NO. 505968**

BY CASTLE WATER LIMITED

Background and pleadings

1. On 14 November 2022, Castle Water Limited (“Castle”) applied to register two UK trade marks for the marks shown on the cover page of this decision, under nos. 3849191 (“Castle’s word mark”) and 3849192 (“Castle’s logo mark”). These were both accepted and published in the Trade Marks Journal on 23 December 2022 in respect of the following services:

Class 35: Marketing, advisory and promotional services relating to water, water supply, water purification, water distribution, water treatment, water management, water pollution, water conservation, flood prevention, public health, and the treatment and discharge of wastewater, sewage and effluents; business management and business administration services relating to water, water supply, water purification, water distribution, water treatment, water management, water pollution, water conservation, flood prevention, public health, and the treatment and discharge of wastewater, sewage and effluents; services relating to the operation and management of water and wastewater installations; retail and wholesale services in relation to water supply apparatus and equipment; water meter reading for billing purposes; billing; billing services; business information services; online, offline and telephone based price comparison and switching services for water supply services; provision of price information relating to the supply of water; advisory, consultancy and information services relating to the aforesaid services.

Class 39: Public utility services; utility services in the nature of supplying water; water distribution and supply services; delivery of water; services for arranging transportation of water; storage of water in reservoirs; storage of water in tanks; supply of water for domestic and industrial use; supply, transmission, distribution, collection, disposal and/or storage of water, waste water, sewerage, sludges, industrial waste, waste and sea water; discharge of treated waste water by way of sea and storm outfalls; leasing and hire services in relation to the aforesaid services; advisory, consultancy and information services relating to the aforesaid services.

2. On 9 March 2023, Marius Simkus (“Mr Simkus”) opposed both applications filed by Castle. The opposition against Castle’s word mark relies upon section 5(1) of the Trade Marks Act 1994 (“the Act”). This is on the basis of its earlier UK trade mark no. 3438156 for the mark CASTLE WATER. Castle’s logo mark is opposed on the basis of section 5(2)(b) of the Act, relying on the same earlier mark. The following services are relied upon in the two oppositions:

Class 35: Retail services in relation to water supply equipment; Water meter reading for billing purposes; Wholesale services in relation to water supply equipment; Advertising agencies; Advertising agency services; Advertising analysis; Advertising and advertisement services; Advertising and marketing; Advertising and marketing consultancy; Advertising and marketing services; Advertising and promotional services; Advertising and publicity; Advertising and publicity services; Advertising by mail order; Advertising consultation; Advertising flyer distribution; Advertising for motion picture films; Advertising for others; Advertising in periodicals, brochures and newspapers; Advertising on the Internet for others; Advertising planning; Advertising, including on-line advertising on a computer network; Advertising, including promotion of products and services of third parties through sponsoring arrangements and licence agreements relating to international sports' events; Announcement services for advertising purposes; Business project management services; Business project management services for construction projects; Business project management; Management of business projects [for others]; Organisation, operation and supervision of sales and promotional incentive schemes; Credit card registration services; Billing; Billing services; Advertising, marketing and promotional services; Business advisory services, consultancy and information; Organisation, operation and supervision of an incentive scheme; Relocation services (Employee -); Relocation services for business; Arranging and conducting commercial trade shows; Arranging and conducting marketing promotional events for others; Arranging and conducting of art exhibitions for commercial or advertising purposes; On-line data processing services; Business and commercial information services; Provision and rental of advertising space; Provision of advertising information; Classified advertising; Marketing services; Management and compilation of computerised

databases; Compilation and provision of trade and business price and statistical information; Providing an on-line commercial information directory on the internet; Providing a searchable online advertising guide featuring the goods and services of other on-line vendors on the internet; Business advisory services, consultancy and information; Advertising; Advertising services.

Class 39: Distribution and supply of water; Providing information relating to water supplying services; Public utilities in the nature of supplying water; Public utility services in the nature of supplying water; Supply of water by pipeline; Water supply and distribution services; Water distribution and supply; Water supplying; Water supplying [distribution]; Public utility services in the nature of water distribution; Delivery of bottled water to homes and offices; Delivery of water; Inland waterway transport; Rental of deep water diving suits; Rental of water craft; Rescue [transport] of vehicles in the water; Services for arranging transportation by water; Services for the supply of water by pipeline; Storage of water in reservoirs; Storage of water in tanks; Storage of watercraft, yachts, boats and water vehicles; Supply [transport] of water for agricultural use; Supply [transport] of water for domestic use; Supply [transport] of water for industrial use; Supply [transport] of water through pipes; Supply of water; Transport by inland water; Transport by water; Transport of goods by inland water; Transport of passengers by inland water; Transport of persons and goods by land, air and water; Transport of water by pipeline; Water transport services; Transportation of freight by water.

3. By virtue of its earlier filing date of 22 October 2019, the registration relied upon by Mr Simkus within the two oppositions constitutes an earlier mark in accordance with section 6 of the Act. As the earlier mark had been registered for less than five years at the date on which Castle's application was filed, Mr Simkus is not yet required to file proof of use of this mark, in accordance with the provisions of section 6A of the Act.

4. In respect of Castle's word mark, Mr Simkus argues that the respective services are identical and that the marks are identical, and that as such the application should be refused in accordance with section 5(1) of the Act. In respect of Castle's logo mark, Mr Simkus argues that the marks are similar and that the goods are identical or similar,

and that as such there will be a likelihood of confusion between the marks, and therefore the application should be refused on the basis of section 5(2)(b) of the Act.

5. Castle filed a counterstatement in both matters, denying that its word mark is contrary to section 5(1) of the Act, and denying that its logo mark is contrary to section 5(2)(b) of the Act. Castle highlighted within its TM8s that it had filed an application for the invalidation of the earlier mark relied upon in the oppositions.

6. Castle did, on 3 April 2023, file an application to invalidate the registration relied upon within the opposition proceedings outlined above. Castle submits that the sign CASTLE WATER has been used by Castle throughout the UK since 2014, that it holds goodwill for its business in relation to its services (which it claims mirror those applied for under its opposed marks) as distinguished by the sign, and that Mr Simkus' use of the registered mark for the registered services would result in a misrepresentation that this is use by Castle. As such, Castle claims the use of the registration would amount to passing off in the UK. Castle therefore requests that the earlier registration be declared invalid in accordance with section 47(2)(b) and section 5(4)(a) of the Act.

7. Mr Simkus filed a counterstatement in the invalidation proceedings, stating that he denies the claim under section 5(4)(a). He states he came up with his idea for the mark in 2011, although he postponed his business plan until later on. He states Castle is not the legal owner of the mark, and requests "proof of use" in relation to the services for which Castle has claimed use of the sign.

8. On 20 September 2023, the Tribunal wrote to the parties to inform them of the Registrar's direction for the consolidation of the two oppositions and one invalidation action above under Rule 62(1)(g) of the UK Trade Mark Rules 2008. The three matters proceeded in sync as one consolidated set of proceedings thereon after.

9. Only Castle filed evidence in these proceedings. This will be summarised to the extent that it is considered necessary. Only Castle filed written submissions, which will not be summarised but will be referred to as and where appropriate during this decision. No hearing was requested and so this decision is taken following a careful perusal of the papers.

10. Mr Simkus represents himself in these proceedings. Castle is represented by Addleshaw Goddard LLP.

11. The provisions of the Act relied upon in these proceedings are assimilated law, as they are derived from EU law. Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 (as amended by Schedule 2 of the Retained EU Law (Revocation and Reform) Act 2023) requires tribunals applying assimilated law to follow assimilated EU case law. That is why this decision refers to decisions of the EU courts which predate the UK's withdrawal from the EU.

Evidence

12. Castle filed its evidence in the form of a witness statement in the name of John Nigel Reynolds, Director of Castle. The statement is dated 20 November 2023 and introduces five exhibits, namely Exhibit JNR1 to Exhibit JNR5. The statement and the exhibits go to the use of its sign CASTLE WATER since 2014. This evidence will be considered in more detail later on in this decision.

Approach

13. If the application for invalidity filed by Castle succeeds in its entirety, the two oppositions filed by Mr Simkus will fall away. If it succeeds partially, Mr Simkus will only be able to rely upon the narrower scope of protection remaining within the oppositions. I will therefore begin by considering Castle's application for registration no. 3438156 to be declared invalid. If this action fails partially or in full, I will then go on to consider the two oppositions.

Application for invalidation of registration no. 3438156

Relevant statutory provision

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

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

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, where the condition in subsection (4A) is met,

(aa) [...]

(b) [...]

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

15. Section 47 states:

“47. (1) [...]

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

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

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

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

[...]

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

[...]

(6) Where the registration of a trade mark is declared invalid to any extent, the registration shall to that extent be deemed never to have been made: Provided that this shall not affect transactions past and closed.”

The principles

16. 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).”

17. 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 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.”

The relevant date

18. 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 TMO-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.’”

19. I note reference to the “applicant’s” use above will, in the context of these invalidity proceedings, refer to use by the proprietor of the contested mark, that being Mr Simkus.

20. In this instance, the mark subject to the application for invalidity was filed on 22 October 2019. Whilst I note in Mr Simkus’ counterstatement that he claims to have come up with the idea to use his mark in 2011, he also states that he postponed starting his business until a later date. The actual date of first use claimed is not clear. He states he purchased a domain name and started to assemble a team in 2019, only to have further “postponed the investment” after the arrival of covid 19. However, in any case, I note there is no supporting evidence on this point. Therefore, in the absence of clarity in Mr Simkus’ pleadings and crucially any additional supporting evidence, I consider the relevant date in these proceedings to be the date the registration was filed.

Goodwill

21. The meaning of goodwill was described in *Inland Revenue Commissioners v Muller & Co’s Margarine Ltd* [1901] AC 217 (HOL) as follows:

“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.”

22. I will now consider the evidence filed by Castle in these proceedings, with a view to establishing whether there is any goodwill in Castle's business under the sign.

23. In his witness statement, Mr Reynolds explains that Castle was originally incorporated on 17 April 2014, and has since that date been using the sign CASTLE WATER in relation to its business.¹ He explains that since that time, Castle has become the UK's largest independent non-household water retailer, licensed by Ofwat and The Water Industry Commission for Scotland, to provide water and wastewater services to non-household customers.² He also explains Castle offer a range of support services including automatic meter reading, consolidated billing, water efficiency advice, and water bill validation services.³ A water service licence and a sewage services licence granted to Castle on 11 July 2014 from the Water Industry Commission for Scotland is provided at Exhibit JNR1. The water services licence allows Castle to undertake the following services:

"Terms of this licence

1. This licence, granted by the Water industry Commission for Scotland ("the Commission") under section 6(1) of the Water Services etc (Scotland) Act 2005 ("the 2005 Act") authorises Castle Water Limited, a company incorporated in Scotland (Registered Number SC475583), ("the licensee") whose registered office is at Craighall Castle, Blairgowrie PH10 7JB:

(a) to:

- (i) make arrangements with the occupier of any eligible premises for or in relation to the supply of water to the premises through the public water supply system, and
- (ii) fix, demand and recover charges for or in relation to the supply of water to any premises in respect of which the licensee has made such arrangements; and

¹ See paragraph 5 of the witness statement of Mr Reynolds

² See above.

³ See above.

(b) to make such arrangements with Scottish Water and such other persons as are necessary for the purposes of or in connection with the things mentioned in paragraph (a);

during the period specified in paragraph 4 below.

[...]

4. This licence, unless revoked or suspended in accordance with the 2005 Act, shall continue until determined by not less than 10 years' notice in writing given by the Commission to the licensee.”

24. The sewage services licence allows Castle to undertake the following services:

“Terms of this licence

1.This licence, granted by the Water Industry Commission for Scotland (“the Commission”) under section 6(3) of the Water Services etc (Scotland) Act 2005 (“the 2005 Act”) authorises Castle Water Limited, a company incorporated in Scotland (Registered Number SC475583), (“the licensee”) whose registered office is at Craighall Castle, Blairgowrie PH10 7JB:

(a) to:

- (i) make arrangements with the occupier of an eligible premises for or in relation to the provision of sewerage to, or the disposal of sewage from, the premises through the public sewerage system; and
- (ii) fix, demand and recover charges for or in relation to the provision of sewerage to, and disposal of sewage from, any premises in respect of which the licensee has made such arrangements; and

(b) to make such arrangements with Scottish Water and such other persons as are necessary for the purposes of or in connection with the things mentioned in paragraph (a):

during the period specified in paragraph 4 below.

[...]

4. This licence, unless revoked or suspended in accordance with the 2005 Act, shall continue until determined by not less than 10 years' notice in writing given by the Commission to the Licensee.”

25. Exhibit JNR2 provides historic pages from Castle’s website via internet archiving site the Wayback Machine. The pages date between December 2014⁴ and May 2019, and they are all from the domain www.castlewater.co.uk. The majority of the pages provided display a variation of the sign below, and many also reference Castle Water in simple word format:



26. Castle is described on the pages as a ‘water supplier’ and a ‘water retailer’. It also is stated to offer ‘leak assistance’ on one page dating from 6 May 2019, and it is explained on a further page dated 6 May 2019 that they offer “One Simple Bill” for water, wastewater, and multiple sites. A page dated 23 May 2016 reads “CASTLE WATER SERVES OVER 20,000 CUSTOMERS ACROSS SCOTLAND AND ENGLAND.”

27. In his witness statement, Mr Reynolds provides turnover figures for the provision of Castle’s services between 2016 and 2019 at paragraph 9 as below:

⁴ The pages from December 2014 have been headed December 2015, but 2014 is the date displayed on the image itself from the Wayback Machine.

Year	Turnover
2016	£2,904,000
2017	£17,896,000
2018	£439,571,000
2019	£430,110,000
Total	£890,481,000

28. Mr Reynolds also provides at paragraph 11 details of advertising and promotional spend between 2017 and 2019 as below:

Year	Advertising Spend
2017	£56,000
2018	£388,000
2019	£634,000
Total	£1,078,000

29. At Exhibit JNR3, Castle provides a number of customer invoices and bills. These cover dates between 2016 and 2020, although the vast majority fall prior to the relevant date in October 2019. These all display one of the signs below, are addressed to consumers located in the UK, and are in respect of water and waste services:



30. Exhibit JNR4 provides a number of what Mr Reynolds describes in his witness statement as adverts, all of which he states were published prior to the relevant date.⁵ There is no further information provided about where, or exactly when these were published. They also display the top sign shown above, as well as referring simply to 'Castle Water'. These encourage customers to switch their water and sewerage/wastewater services to them (and offer to complete the switching service on their behalf following online registration) and promote savings to be had to consumers. Some of the adverts make reference to supplying "hundreds of thousands of businesses, charities, and public bodies throughout Scotland and England" and to supplying "over 300,000 premises from Lerwick to Portsmouth". Some of the adverts also promote the "additional services" offered such as below:

A range of additional services

Whether you are a single site business, or part of a complex multi-national group, we have the ability to help you – for example, with advice on water usage, bill audits, environmental science or installation of automatic meter reading equipment.

31. Exhibit JNR5 provides various print outs from Castle's website as well as what appear to be press articles, detailing its result of runner up in the Business of the Year 2017 awards at the Perthshire Chamber of Commerce Business Star Awards 2017, and of Business of the Year 2018 and Business of the Year in the Services category in 2019, both in the Courier Business Awards.

32. From the sum of the evidence, it is clear to me that Castle will, prior to the relevant date, have had considerable goodwill in its business under the sign CASTLE WATER. I note the business has grown quickly over a relatively short period of time, but there is evidence of several years' use by way of the statements, webpages, invoices and turnover figures provided. I note that prior to the relevant date, the business under the sign was spread across the UK, had what appears to be a large turnover, and had invested healthy sums in the promotion of its services. Whilst I note Mr Reynolds' statement that Castle is the "UK's largest independent non-household water retailer", it is not clear exactly what this means in terms of the water retail market as a whole. However, at paragraph 3-31, Professor Wadlow, in *Wadlow on the Law of Passing Off*

⁵ See paragraph 13 of the witness statement of Mr Reynolds.

6th Edition, says that “the action for passing off protects goodwill regardless of the size of the enterprise”. He goes on to say that “[the] mere fact that the claimant’s business is very small does not prevent it having a goodwill. A fortiori, the scale of the claimants’ business in relation to the market as a whole is not determinative.” In any case, I note the reference to 20,000 customers in 2016, and the reference to supplying hundreds of thousands of premises later on in the evidence. I also note Castle’s turnover, and it therefore appears safe to assume its customer base, had grown considerably between 2016 and prior to the relevant date. The turnover itself increased over a couple of years during that time from under £3,000,000 to over £430,000,000. Whilst I note Castle often uses its sign in logo form, it is my view that this use is still use of a CASTLE WATER sign for the purposes of establishing goodwill under the same. In any case, I also note Castle also uses the sign CASTLE WATER without the additional device element. In terms of the services for which goodwill has been established, it is my view these will be as follows:

Advisory services relating to water; online switching services for water supply services; utility services in the nature of supplying water; water distribution and supply services; supply of water for industrial use; supply, transmission, distribution, disposal of water, waste water, sewerage; advisory, consultancy and information services relating to the aforesaid services;

33. Whilst I note Castle engage in activities such as marketing their own services and billing for their own services, this is not the offering services to third parties, and as such there is no evidence Castle will have built up goodwill in its business in respect of the same. Whilst I note the occasional mention of bill auditing services in the evidence, and Mr Reynolds’ mention of bill validation services, there is little to indicate how significant these services are in the overall offering, or whether/how often Castle undertakes these services for its customers. Further, I do not consider that “consolidated billing”, as mentioned by Mr Reynolds and featuring in the exhibits is the offering of billing services for others, rather it just appears to be offering its customers a more streamlined way for charging for its own water supply services offered. It doesn’t strike me that third parties are engaging Castle to perform ‘billing services’ on their behalf, or that its consumers would see streamlined invoices as a true service offering in which it would hold goodwill as distinguished by its sign.

34. For completeness, I also note the reference in the evidence to the installation of equipment for taking automatic meter readings, as well as Mr Reynold's reference to Castle offering "automatic meter reading" as part of its support services. I have therefore considered whether Castle is offering *water meter reading for billing purposes* as a service to its customers. When considering this, I have turned to the submissions filed by Castle for guidance. Within its final written submission in lieu, I note it is stated:

"...Certain services covered by the Class 35 specification of the Registration, namely "retail services in relation to water supply equipment; water meter reading for billing purposes; wholesale services in relation to water supply equipment", whilst not identical to the water and wastewater services provided by Castle Water are clearly associated with these services."

35. It appears from the above that Castle is not claiming that *water meter reading for billing purposes* is part of its service offering, and this aligns with my view that the evidence suggests it is the installation of the equipment for taking automatic meter readings that it is offering, rather than meter reading as a service itself.

Misrepresentation

36. As I have now established the services in which Castle's business has goodwill as distinguished by the sign, I will move on to consider misrepresentation.

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

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

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

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

And later in the same judgment:

“... for my part, I think that references, in this context, to “more than *de minimis*” and “above a trivial level” are best avoided notwithstanding this court's reference to the former in *University of London v. American University of London* (unreported 12 November 1993) . It seems to me that such expressions are open to misinterpretation for they do not necessarily connote the opposite of substantial and their use may be thought to reverse the proper emphasis and concentrate on the quantitative to the exclusion of the qualitative aspect of confusion.”

38. In *Lumos Skincare Limited v Sweet Squared Limited and others* [2013] EWCA Civ 590, Lord Justice Lloyd commented on the paragraph above as follows:

“64. One point which emerges clearly from what was said in that case, both by Jacob J and by the Court of Appeal, is that the “substantial number” of people who have been or would be misled by the Defendant's use of the mark, if the Claimant is to succeed, is not to be assessed in absolute numbers, nor is it applied to the public in general. It is a substantial number of the Claimant's actual or potential customers. If those customers, actual or potential, are small in number, because of the nature or extent of the Claimant's business, then the substantial number will also be proportionately small.”

39. Accordingly, once it has been established that the party relying on the existence of an earlier right under section 5(4)(a) had sufficient goodwill at the relevant date to bring a passing-off claim, the likelihood that only a relatively small number of persons would be likely to be deceived does not mean that the case must fail. There will be a

misrepresentation if a substantial number of customers, or potential customers, of the claimant's actual business would be likely to be deceived.

40. In this case, the sign which distinguishes Castle's goodwill, and the mark subject to this invalidation, are both CASTLE WATER. In respect of the following registered services, which I also find to be identical to those for which Castle has goodwill as distinguished by the sign, it is my view there can be no doubt that there will be a misrepresentation amongst the relevant public. These services are as follows:

Class 39: Distribution and supply of water; Providing information relating to water supplying services; Public utilities in the nature of supplying water; Public utility services in the nature of supplying water; Supply of water by pipeline; Water supply and distribution services; Water distribution and supply; Water supplying; Water supplying [distribution]; Public utility services in the nature of water distribution; Delivery of water; Services for the supply of water by pipeline; Supply [transport] of water for agricultural use; Supply [transport] of water for industrial use; Supply [transport] of water through pipes; Supply of water; Transport of water by pipeline; Water transport services.⁶

41. Further, I note the following registered services are in the same or a similar field of activity to those for which Castle holds goodwill. It is my view that in respect of the services below, considering the considerable goodwill in the earlier sign, the clear connection between the services, and the identity of the sign and registered mark, there is a high likelihood that Castle's consumers would be deceived into thinking the below services were those of Castle:

Class 35: Retail services in relation to water supply equipment; Wholesale services in relation to water supply equipment; water meter reading for billing purposes.

⁶ I note two meanings could be construed by *water transport services*, both of which are proper to class 39. However, considering the services such as *supply [transport] of water through pipes* would in my view be covered by one interpretation of this term, and considering Mr Simkus' registration also holds the term *transport by water* which offers him equal protection to *water transport services* if construed as meaning transport by water rather than transport of water, I find it appropriate to view this term as meaning services for the transport of water in this instance, and treat it accordingly.

Class 39: *Delivery of bottled water to homes and offices; Storage of water in reservoirs; Storage of water in tanks; Supply [transport] of water for domestic use.*

42. The remaining services covered by the registration do not appear to be in the same field of activity as Castle. In *Harrods Limited v Harrodian School Limited* [1996] RPC 697 (CA), Millet L.J. made the following findings about the lack of a requirement for the parties to operate in a common field of activity, and about the additional burden of establishing misrepresentation and damage when they do not:

“There is no requirement that the defendant should be carrying on a business which competes with that of the plaintiff or which would compete with any natural extension of the plaintiff’s business. The expression “common field of activity” was coined by *Wynn-Parry J. in McCulloch v. May* (1948) 65 R.P.C. 58, when he dismissed the plaintiff’s claim for want of this factor. This was contrary to numerous previous authorities (see, for example, *Eastman Photographic Materials Co. Ltd. v. John Griffiths Cycle Corporation Ltd.* (1898) 15 R.P.C. 105 (cameras and bicycles); *Walter v. Ashton* [1902] 2 Ch. 282 (The Times newspaper and bicycles) and is now discredited. In the *Advocaat* case Lord Diplock expressly recognised that an action for passing off would lie although “the plaintiff and the defendant were not competing traders in the same line of business”. In the *Lego* case *Falconer J.* acted on evidence that the public had been deceived into thinking that the plaintiffs, who were manufacturers of plastic toy construction kits, had diversified into the manufacture of plastic irrigation equipment for the domestic garden. What the plaintiff in an action for passing off must prove is not the existence of a common field of activity but likely confusion among the common customers of the parties.

The absence of a common field of activity, therefore, is not fatal; but it is not irrelevant either. In deciding whether there is a likelihood of confusion, it is an important and highly relevant consideration

‘...whether there is any kind of association, or could be in the minds of the public any kind of association, between the field of activities of the plaintiff and the field of activities of the defendant’:

Annabel's (Berkeley Square) Ltd. v. G. Schock (trading as Annabel's Escort Agency) [1972] R.P.C. 838 at page 844 per Russell L.J.

In the *Lego case Falconer J.* likewise held that the proximity of the defendant's field of activity to that of the plaintiff was a factor to be taken into account when deciding whether the defendant's conduct would cause the necessary confusion.

Where the plaintiff's business name is a household name the degree of overlap between the fields of activity of the parties' respective businesses may often be a less important consideration in assessing whether there is likely to be confusion, but in my opinion it is always a relevant factor to be taken into account.

Where there is no or only a tenuous degree of overlap between the parties' respective fields of activity the burden of proving the likelihood of confusion and resulting damage is a heavy one. In *Stringfellow v. McCain Foods (G.B.) Ltd.* [1984] R.P.C. 501 Slade L.J. said (at page 535) that the further removed from one another the respective fields of activities, the less likely was it that any member of the public could reasonably be confused into thinking that the one business was connected with the other; and he added (at page 545) that

‘even if it considers that there is a limited risk of confusion of this nature, the court should not, in my opinion, readily infer the likelihood of resulting damage to the plaintiffs as against an innocent defendant in a completely different line of business. In such a case the onus falling on plaintiffs to show that damage to their business reputation is in truth likely to ensue and to cause them more than minimal loss is in my opinion a heavy one.’

In the same case Stephenson L.J. said at page 547:

'...in a case such as the present the burden of satisfying Lord Diplock's requirements in the *Advocaat* case, in particular the fourth and fifth requirements, is a heavy burden; how heavy I am not sure the judge fully appreciated. If he had, he might not have granted the respondents relief. When the alleged "passer off" seeks and gets no benefit from using another trader's name and trades in a field far removed from competing with him, there must, in my judgment, be clear and cogent proof of actual or possible confusion or connection, and of actual damage or real likelihood of damage to the respondents' property in their goodwill, which must, as Lord Fraser said in the *Advocaat* case, be substantial.'

43. Within its final submissions in lieu of a hearing, Castle sets out its case as follows:

"13 Marius Simkus has registered the identical trade mark, CASTLE WATER. The Registration covers services in Class 39, namely distribution and water supply services, which are clearly identical/similar to the water and waste water services that are provided by Castle Water. Certain services covered by the Class 35 specification of the Registration, namely "retail services in relation to water supply equipment; water meter reading for billing purposes; wholesale services in relation to water supply equipment", whilst not identical to the water and wastewater services provided by Castle Water, are clearly associated with these services.

14 It is submitted that the use of the identical CASTLE WATER trade mark by Marius Simkus, in relation to the identical/similar services to those for which Castle Water has shown its established goodwill, would have amounted to a misrepresentation, that the services were those of Castle Water, or were connected with its business in some way.

15 It is submitted that the use of the CASTLE WATER trade mark by Marius Simkus, at the time of the filing of the Registration on 22 October 2019, would have been likely to result in deception or confusion to Castle Water's customers for the following reasons:

(a) Castle Water has shown that it has established goodwill in the CASTLE WATER trade mark through the use that it has made of the trade mark since its first use in 2014;

(b) the nature of Castle Water's business is identical to the services covered by the Registration, namely water and wastewater services;

(c) the Registration is identical to the CASTLE WATER trade mark used by the Castle Water; and

(d) The use of the identical trade mark CASTLE WATER in relation to the provision of the identical water and wastewater services is likely to result in the deception or confusion.

16 From the evidence of use that has been submitted by Castle Water, it has been shown that at the date of the filing of the Registration on 22 October 2019, the Opponent had built up a substantial degree of goodwill in the identical CASTLE WATER trade mark, in relation to the provision of water and wastewater services, which are identical, or at the very least similar, to the Class 35 and 39 services covered by the Registration.” [Emphasis added]

44. I note from the case law set out above, that whilst it is a very relevant factor, it is not a requirement for services to be in a similar field of activity in order for misrepresentation to be found. However, I remind myself that the burden for proving a likelihood of misrepresentation and damage where fields of activity are not similar is a heavy one. That said, it is my view that in this case Castle’s argument for misrepresentation within its submissions does not extend to a scenario where the fields of activity are distinct, although I note for completeness, Castle does request that Mr Simkus’ registration is declared invalid in its entirety. With consideration to Castle’s submissions, and particularly the lack of any argument as to why I should find a misrepresentation to occur where the mark is registered in relation to services in a distinct field of activity to those for which it has goodwill (or in respect of services that are not identical or similar as it is put by Castle), I do not find it appropriate to consider the likelihood of misrepresentation beyond where the services are in a similar or identical field of activity at this stage.

45. However, if I am wrong in this respect, I note in any case it is apparent that Castle's evidence and submissions will not be sufficient to dispel the heavy burden of proving a likelihood of misrepresentation in respect of dissimilar services in this instance. Furthermore, I observe at this stage, that there are services covered by Mr Simkus' registration, for example, marketing services in class 35, and passenger transportation services in class 39, that are clearly very distinct from Castle's services in which it has goodwill, and I find it doubtful that extended submissions from Castle alone would have been sufficient to change the outcome of my assessment in respect of the same.

46. For completeness, I note finally that there is no pleading nor evidence before me that Mr Simkus applied for his mark with an intention to deceive the public. As such, I have no reason to believe the application for the identical mark in relation to some similar and identical services to those used by Castle is any more than a coincidence, and I have not considered an intention to deceive as a relevant factor in this instance.

Damage

47. In *Harrods Limited V Harrodian School Limited* [1996] RPC 697, Millett L.J. described the requirements for damage in passing off cases like this:

“In the classic case of passing off, where the defendant represents his goods or business as the goods or business of the plaintiff, there is an obvious risk of damage to the plaintiff's business by substitution. Customers and potential customers will be lost to the plaintiff if they transfer their custom to the defendant in the belief that they are dealing with the plaintiff. But this is not the only kind of damage which may be caused to the plaintiff's goodwill by the deception of the public. Where the parties are not in competition with each other, the plaintiff's reputation and goodwill may be damaged without any corresponding gain to the defendant. In the *Lego* case, for example, a customer who was dissatisfied with the defendant's plastic irrigation equipment might be dissuaded from buying one of the plaintiff's plastic toy construction kits for his children if he believed that it was made by the defendant. The danger in such a case is that the plaintiff loses control over his own reputation.

48. Where I have found there to be a misrepresentation, it is my view that damage by way of substitution, or indeed a loss of control over Castle's own reputation, such as is set out in the case law above, will be inevitable.

49. The application for invalidation of Mr Simkus' registration therefore succeeds in relation to the following services:

Class 35: Water meter reading for billing purposes; Retail services in relation to water supply equipment; Wholesale services in relation to water supply equipment.

Class 39: Distribution and supply of water; Providing information relating to water supplying services; Public utilities in the nature of supplying water; Public utility services in the nature of supplying water; Supply of water by pipeline; Water supply and distribution services; Water distribution and supply; Water supplying; Water supplying [distribution]; Public utility services in the nature of water distribution; Delivery of water; Services for the supply of water by pipeline; Supply [transport] of water for agricultural use; Supply [transport] of water for industrial use; Supply [transport] of water through pipes; Supply of water; Transport of water by pipeline; Water transport services; Delivery of bottled water to homes and offices; Storage of water in reservoirs; Storage of water in tanks; Supply [transport] of water for domestic use;

50. The application based on section 5(4)(a) of the Act fails in respect of the remaining services, as follows:

Class 35: Advertising agencies; Advertising agency services; Advertising analysis; Advertising and advertisement services; Advertising and marketing; Advertising and marketing consultancy; Advertising and marketing services; Advertising and promotional services; Advertising and publicity; Advertising and publicity services; Advertising by mail order; Advertising consultation; Advertising flyer distribution; Advertising for motion picture films; Advertising for others; Advertising in periodicals, brochures and newspapers; Advertising on the Internet for others; Advertising planning; Advertising, including on-line advertising on a computer network; Advertising, including promotion of

products and services of third parties through sponsoring arrangements and licence agreements relating to international sports' events; Announcement services for advertising purposes; Business project management services; Business project management services for construction projects; Business project management; Management of business projects [for others]; Organisation, operation and supervision of sales and promotional incentive schemes; Credit card registration services; Advertising, marketing and promotional services; Business advisory services, consultancy and information; Organisation, operation and supervision of an incentive scheme; Relocation services (Employee -); Relocation services for business; Arranging and conducting commercial trade shows; Arranging and conducting marketing promotional events for others; Arranging and conducting of art exhibitions for commercial or advertising purposes; On-line data processing services; Business and commercial information services; Provision and rental of advertising space; Provision of advertising information; Classified advertising; Marketing services; Management and compilation of computerised databases; Compilation and provision of trade and business price and statistical information; Providing an on-line commercial information directory on the internet; Providing a searchable online advertising guide featuring the goods and services of other on-line vendors on the internet; Business advisory services, consultancy and information; Advertising; Advertising services.

Class 39: Inland waterway transport; Rental of deep water diving suits; Rental of water craft; Rescue [transport] of vehicles in the water; Services for arranging transportation by water; Storage of watercraft, yachts, boats and water vehicles; Transport by inland water; Transport by water; Transport of goods by inland water; Transport of passengers by inland water; Transport of persons and goods by land, air and water; Transportation of freight by water.

51. I will now move on to consider the opposition filed against Castle's two applications by Mr Simkus.

Opposition in relation to application no. 3849191

Section 5(1)

52. Section 5(1) of the Act is as follows:

(1) A trade mark shall not be registered if it is identical with an earlier trade mark and the goods or services for which the trade mark is applied for are identical with the goods or services for which the earlier trade mark is protected.

53. Section 5(A) of the Act is as follows:

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

54. In *S.A. Société LTJ Diffusion v. Sadas Vertbaudet SA*, Case C-291/00, the Court of Justice of the European Union held that:

“54... a sign is identical with the trade mark where it reproduces, without any modification or addition, all the elements constituting the trade mark or where, viewed as a whole, it contains differences so insignificant that they may go unnoticed by an average consumer.”

55. In this instance, both marks are the identical word mark CASTLE WATER. I accept that the marks are therefore identical for the purposes of section 5(1) of the Act.

Comparison of services

56. Where services are included identically within two specifications, it is clear they should be considered identical. Additionally, where the wording differs but terms within two specifications share an identical meaning, the services will also be self-evidently identical.

57. Services may also be considered identical where they fall within a term covered by another application or registration. In *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T- 133/05, the General Court stated that:

“29. In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by trade mark application (Case T-388/00 Institut 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”.

58. With this in mind, the services for comparison are set out below:

Earlier services (remaining following the partially successful invalidation)	Contested services
<p>Class 35: <i>Advertising agencies; Advertising agency services; Advertising analysis; Advertising and advertisement services; Advertising and marketing; Advertising and marketing consultancy; Advertising and marketing services; Advertising and promotional services; Advertising and publicity; Advertising and publicity services; Advertising by mail order; Advertising consultation; Advertising flyer distribution; Advertising for motion picture films; Advertising for others; Advertising in periodicals, brochures and newspapers; Advertising on the Internet for others; Advertising planning; Advertising, including on-line advertising on a computer network; Advertising, including promotion of</i></p>	<p>Class 35: <i>Marketing, advisory and promotional services relating to water, water supply, water purification, water distribution, water treatment, water management, water pollution, water conservation, flood prevention, public health, and the treatment and discharge of wastewater, sewage and effluents; business management and business administration services relating to water, water supply, water purification, water distribution, water treatment, water management, water pollution, water conservation, flood prevention, public health, and the treatment and discharge of wastewater, sewage and effluents; services relating to the operation and management of water and wastewater</i></p>

products and services of third parties through sponsoring arrangements and licence agreements relating to international sports' events; Announcement services for advertising purposes; Business project management services; Business project management services for construction projects; Business project management; Management of business projects [for others]; Organisation, operation and supervision of sales and promotional incentive schemes; Credit card registration services; Billing; Billing services; Advertising, marketing and promotional services; Business advisory services, consultancy and information; Organisation, operation and supervision of an incentive scheme; Relocation services (Employee -); Relocation services for business; Arranging and conducting commercial trade shows; Arranging and conducting marketing promotional events for others; Arranging and conducting of art exhibitions for commercial or advertising purposes; On-line data processing services; Business and commercial information services; Provision and rental of advertising space; Provision of advertising information; Classified advertising; Marketing services; Management and compilation of computerised databases;

installations; retail and wholesale services in relation to water supply apparatus and equipment; water meter reading for billing purposes; billing; billing services; business information services; online, offline and telephone based price comparison and switching services for water supply services; provision of price information relating to the supply of water; advisory, consultancy and information services relating to the aforesaid services.

Class 39: Public utility services; utility services in the nature of supplying water; water distribution and supply services; delivery of water; services for arranging transportation of water; storage of water in reservoirs; storage of water in tanks; supply of water for domestic and industrial use; supply, transmission, distribution, collection, disposal and/or storage of water, waste water, sewerage, sludges, industrial waste, waste and sea water; discharge of treated waste water by way of sea and storm outfalls; leasing and hire services in relation to the aforesaid services; advisory, consultancy and information services relating to the aforesaid services.

Compilation and provision of trade and business price and statistical information; Providing an on-line commercial information directory on the internet; Providing a searchable online advertising guide featuring the goods and services of other on-line vendors on the internet; Business advisory services, consultancy and information; Advertising; Advertising services.

Class 39: Inland waterway transport; Rental of deep water diving suits; Rental of water craft; Rescue [transport] of vehicles in the water; Services for arranging transportation by water; Storage of watercraft, yachts, boats and water vehicles; Transport by inland water; Transport by water; Transport of goods by inland water; Transport of passengers by inland water; Transport of persons and goods by land, air and water; Transportation of freight by water.

59. The earlier mark holds protection for the services *advertising and marketing services* and *advertising and promotional services* in class 35. It is my view these are

identical to the following services covered by Castle's application, in accordance with the principles set out in *Meric*:

Class 35: Marketing [...] and promotional services relating to water, water supply, water purification, water distribution, water treatment, water management, water pollution, water conservation, flood prevention, public health, and the treatment and discharge of wastewater, sewage and effluents;

60. The earlier mark covers *billing services* in class 35. It is my view these services are identical to the below services applied for under Castle's word mark:

Class 35: billing; billing services.

61. Whilst I note Castle's services include *water meter reading for billing purposes* in class 35, it is my view these are not identical to Mr Simkus' *billing services*, on the basis they are water meter reading services, not billing services as such. If I am wrong in this respect, I note that the services above should be considered to be in a similar field of activity as Castle's services for which it holds goodwill under my assessment in relation to section 5(4)(a) of the Act, on the basis that they would include water meter reading for billing purposes.

62. The earlier mark covers *business advisory services, consultancy and information* in class 35. It is my view that these are identical to the below services included in Castle's application in accordance with the principles set out in *Meric*:

Class 35: business information services.

63. The earlier mark includes the services *business project management services* in class 35. It is my view these are identical to the services applied for by Castle as set out below, in accordance with the principles set out in *Meric*:

Class 35: business management services relating to water, water supply, water purification, water distribution, water treatment, water management, water pollution, water conservation, flood prevention, public health, and the treatment and discharge of wastewater, sewage and effluents.

64. The earlier mark includes the services *transportation of freight by water and services for arranging transportation by water* in class 39. It is my view that water itself may be transported via freight and over water, and as such I find Castle's services below identical to those covered by the earlier mark, in accordance with the principles set out in *Meric*:

Class 39: services for arranging transportation of water

65. I do not consider any further services applied for by Castle under this mark to be identical to those remaining under Mr Simkus' earlier registration. To the extent that the services have been found identical, the requirements of section 5(1) have been met. The application will therefore be refused in respect of the above services, but may proceed to registration in respect of the remaining services as set out below:

Class 35: Advisory services relating to water, water supply, water purification, water distribution, water treatment, water management, water pollution, water conservation, flood prevention, public health, and the treatment and discharge of wastewater, sewage and effluents; business administration services relating to water, water supply, water purification, water distribution, water treatment, water management, water pollution, water conservation, flood prevention, public health, and the treatment and discharge of wastewater, sewage and effluents; services relating to the operation and management of water and wastewater installations; retail and wholesale services in relation to water supply apparatus and equipment; water meter reading for billing purposes; online, offline and telephone based price comparison and switching services for water supply services; provision of price information relating to the supply of water; advisory, consultancy and information services relating to the aforesaid services.

Class 39: Public utility services; utility services in the nature of supplying water; water distribution and supply services; delivery of water; storage of water in reservoirs; storage of water in tanks; supply of water for domestic and industrial use; supply, transmission, distribution, collection, disposal and/or storage of water, waste water, sewerage, sludges, industrial waste, waste and sea water; discharge of treated waste water by way of sea and storm outfalls; leasing and

hire services in relation to the aforesaid services; advisory, consultancy and information services relating to the aforesaid services.

Opposition in relation to application no. 3849192

Section 5(2)(b)

66. Section 5(2)(b) of the Act is as follows:

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

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

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

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

The principles

68. 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 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.

The principles

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

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

(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 services

69. In the judgment of the Court of Justice of the European Union (“CJEU”) in *Canon*, Case C-39/97, the court stated at paragraph 23 of its judgment 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”.

70. 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.

71. In *YouView TV Ltd v Total Ltd* [2012] EWHC 3158 (Ch), Floyd J. (as he then was) stated that:

"... Trade mark registrations should not be allowed such a liberal interpretation that their limits become fuzzy and imprecise: see the observations of the CJEU in Case C-307/10 *The Chartered Institute of Patent Attorneys (Trademarks) (IP TRANSLATOR)* [2012] ETMR 42 at [47]-[49]. Nevertheless the principle should not be taken too far. Treat was decided the way it was because the ordinary and natural, or core, meaning of 'dessert sauce' did not include jam, or because the ordinary and natural description of jam was not 'a dessert sauce'. Each involved a straining of the relevant language, which is incorrect. Where words or phrases in their ordinary and natural meaning are apt to cover the category of goods in question, there is equally no justification for straining the language unnaturally so as to produce a narrow meaning which does not cover the goods in question."

72. The services for comparison are the same as those set out in the table under section 5(1) above. For the same reasons set out under that ground, I find the following goods filed by Castle under its logo mark to be identical to those under the earlier mark registered by Mr Simkus:

Class 35: Marketing [...] and promotional services relating to water, water supply, water purification, water distribution, water treatment, water management, water pollution, water conservation, flood prevention, public

health, and the treatment and discharge of wastewater, sewage and effluents; business management services relating to water, water supply, water purification, water distribution, water treatment, water management, water pollution, water conservation, flood prevention, public health, and the treatment and discharge of wastewater, sewage and effluents; billing; billing services; business information services.

Class 39: *services for arranging transportation of water.*

73. Castle's mark also covers the services outlined below:

Class 35: business administration services relating to water, water supply, water purification, water distribution, water treatment, water management, water pollution, water conservation, flood prevention, public health, and the treatment and discharge of wastewater, sewage and effluents

74. Whilst I do not consider business administration services in relation to the services set out to be identical to the broader business project management services, on the basis that business administration will in my view cover the service of actioning the daily tasks associated with running a business, and business project management will oversee the overall running of a business project with its overall success in mind, it is my view that the services are similar in nature, are likely to share trade channels and business consumers. There may also be a level of complementarity between the services, in the sense that business administration will likely be important to business project management, and the consumer is likely to believe these services will be offered by the same entities. Overall, I find these services similar to a high degree.

75. As previously set out, I do not consider Castle's *water meter reading for billing purposes* to be identical to *billing services* registered by Mr Simkus. However, I note that there may be an overlap in trade channels, in that a company responsible for undertaking billing on behalf of another company may also offer water meter reading for billing purposes. There may therefore also be an overlap in consumers, those being professional businesses outsourcing these services to a third party, and there will also be a level of complementarity. Overall, I consider these services to be similar to a medium degree.

76. I see no reason to find the remaining services similar to those covered by the earlier registration. Whilst it is possible that consumers may be shared, in the sense that business consumers may engage with both party's services, this alone does not suffice for a finding of similarity. Where there is no similarity between the services, the opposition based on section 5(2)(b) of the Act must fail. The application may therefore proceed to registration in respect of the following services:

Class 35: Advisory services relating to water, water supply, water purification, water distribution, water treatment, water management, water pollution, water conservation, flood prevention, public health, and the treatment and discharge of wastewater, sewage and effluents; services relating to the operation and management of water and wastewater installations; retail and wholesale services in relation to water supply apparatus and equipment; online, offline and telephone based price comparison and switching services for water supply services; provision of price information relating to the supply of water; advisory, consultancy and information services relating to the aforesaid services.

Class 39: Public utility services; utility services in the nature of supplying water; water distribution and supply services; delivery of water; storage of water in reservoirs; storage of water in tanks; supply of water for domestic and industrial use; supply, transmission, distribution, collection, disposal and/or storage of water, waste water, sewerage, sludges, industrial waste, waste and sea water; discharge of treated waste water by way of sea and storm outfalls; leasing and hire services in relation to the aforesaid services; advisory, consultancy and information services relating to the aforesaid services.

77. In respect of the services found to be similar, I will continue with my assessment.

Comparison of marks


78. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The

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.”

79. It would be wrong, therefore, to dissect the trade marks artificially, 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.

80. The respective trade marks are shown below:

Earlier trade mark	Contested trade mark
CASTLE WATER	

81. The earlier mark is the word mark CASTLE WATER. The overall impression lies in the mark as a whole.

82. The contested mark comprises the stacked wording CASTLE WATER, with CASTLE written in black and WATER written in blue. There is also a device element positioned on top of the wording, which gives the impression of a turret of a castle and a drop of blue water, reinforcing the message conveyed by the wording. It is my view that the words themselves are the most dominant and distinctive element of the mark, with the device playing a lesser role.

Visual comparison

83. Visually, the marks coincide through the use of the wording CASTLE WATER. They differ by way of the positioning of the words and the use of the device in the later mark. I note the contested mark is filed as a word mark which protects the words contained in the mark, whatever form, colour or typeface are used: see *LA Superquimica v EUIPO*, Case T-24/17, paragraph 39. As such the use of the colour blue for the word WATER adds little to the visual differences between the marks. Overall, I consider the marks similar to a fairly high degree.

Aural comparison

84. The verbal element of each mark is the wording CASTLE WATER, which will be pronounced in the known way. The marks are aurally identical.

Conceptual comparison

85. The concept conveyed by the words CASTLE WATER will be identically construed in each mark. It is my view this conveys the idea of water sourced from a castle or its grounds. The device in the contested mark reinforces the concept conveyed by the wording, and it is my view that the marks are conceptually identical.

Average consumer and the purchasing act

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

87. 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.”

88. In this instance, the average consumers of the services for which similarity or identity has been found will be business professionals. It is my view that when engaging the services, these consumers will consider factors such price, quality and thoroughness of the service offering and the reputation of the service provider. Due to the impact engaging the right services may have on the business as a whole, consumers are likely to pay a higher than average level of attention in respect of the same, although this is unlikely to be at the very highest level. Overall, I find the level of attention paid will be above medium.

89. The services offered are most likely to be engaged with visually, with these promoted via visual advertisements or offered via websites for example. However, I note there is a possibility that professionals will engage with service providers over the telephone, and as such I cannot completely discount the aural comparison.

Distinctive character of the earlier trade mark

90. 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 *WindsurfingChiemsee 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).”

91. Mr Simkus has not filed any evidence in these proceedings, and as such I only have the inherent position to consider.

92. The earlier mark is made up of two known English words, CASTLE WATER. In respect of the similar or identical earlier services upon which Mr Simkus’ case relies, the wording does not appear to be particularly descriptive or allusive. It is my view that the mark holds a medium degree of inherent distinctive character in relation to the same.

GLOBAL ASSESSMENT – Conclusions on Likelihood of Confusion

93. Prior to reaching a decision under section 5(2)(b), I must first consider all relevant factors, including those as set out within the principles A-K at paragraph 68 of this decision. I must view the likelihood of confusion through the eyes of the average consumer, 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 they have kept in their mind. I must consider the level of attention paid by the average consumer, and consider the impact of the visual, aural and conceptual similarities of the marks by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. I must consider that the level of distinctive character held by the earlier mark will have an impact on the likelihood of confusion. I

must remember that the distinctiveness of the common elements is key.⁷ I must keep in mind that a lesser degree of similarity between the services may be offset by a greater degree of similarity between the marks, and vice versa. I must also consider that both the degree of attention paid by the average consumer and how the goods are obtained will have a bearing on how likely the consumer is to be confused.

94. There are two types of confusion that I may find. The first type of confusion is direct confusion. This occurs where the average consumer mistakenly confuses one trade mark for another. The second is indirect confusion. This occurs where the average consumer notices the differences between the marks, but due to the similarities between the common elements, they believe that both products derive from the same or economically linked undertakings.⁸

95. In *Duebros Limited v Heirler Cenovis GmbH*, BL O/547/17, Mr James Mellor Q.C. (as he then was), as the Appointed Person, stressed that a finding of indirect confusion should not be made merely because the two marks share a common element. In this connection, he pointed out that it is not sufficient that a mark merely calls to mind another mark. This is mere association not indirect confusion.

96. I will begin by considering the likelihood of direct confusion between the marks. I found the marks to be visually similar to between a fairly high degree, and to be aurally and conceptually identical. In respect of the services that were found to be at least similar to the earlier mark, I found these to range from similar to a medium degree to identical. I found the average consumer will be paying an above medium level of attention in respect of the services which will primarily be purchased visually, but I noted I could not completely discount the aural considerations. I found the earlier mark would hold a medium degree of inherent distinctive character, but that there is no evidence its distinctive character has been enhanced through use.

⁷ See *Kurt Geiger v A-List Corporate Limited*, BL O-075-13, in which Mr Iain Purvis Q.C. as the Appointed Person pointed out that the level of 'distinctive character' is only likely to increase the likelihood of confusion to the extent that it resides in the element(s) of the marks that are identical or similar.

⁸ *L.A. Sugar Limited v Back Beat Inc*, BL O/375/10

97. Whilst I note the above medium level of attention paid by the consumer, it is my view that considering the high similarity of the marks and the fact that the device element in the contested mark plays a lesser role overall, and simply reinforces the identical conceptual component, this is likely to be misremembered or forgotten by the consumer when recalling the marks. I find it likely in this instance that consumers will simply recall two 'Castle Water' marks. Having considered all of the factors, it is therefore my view that there is a likelihood of direct confusion between the marks, in respect of all of the identical and similar services.

98. However, in case I am wrong in this respect, I consider whether there will be a likelihood of indirect confusion between the marks. In *L.A. Sugar* (cited above) Mr Iain Purvis Q.C. (now K.C.), as the Appointed Person set out three examples of when indirect confusion may occur as below:

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)."

99. I note that the examples above were intended to be illustrative and are not exhaustive. I also keep in mind *Liverpool Gin Distillery Ltd & Ors v Sazerac Brands, LLC & Ors* [2021] EWCA Civ 1207, in which Arnold LJ referred to the comments of

James Mellor Q.C. (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.

100. I do not find that this situation falls neatly within the categories set out in L.A. Sugar above, however, I remind myself that it is not an exhaustive list. Considering the particular circumstances in this case, it is my view that the due to the use of the same dominant and distinctive element CASTLE WATER in both marks, which I find plays an independent distinctive role in each, it is highly likely that if the consumer were to notice the differences between the marks, they would be very likely to believe the contested mark is a stylised version of the earlier mark deriving from the same economic undertaking, in respect of all of the services for which some similarity has been found. I therefore also find a likelihood of indirect confusion between the marks.

101. The opposition based on section 5(2)(b) of the Act succeeds in relation to all of the services which I have found to be similar.

Final Remarks

102. To summarise, the outcome of the application for invalidation under no. 505968 is that the earlier registration will be declared partially invalid, and subject to any successful appeal will therefore be deemed never to have been registered in respect of the services set out at paragraph 49 of this decision. It will remain registered for the remaining services as set out at paragraph 50.

103. Opposition no. 3849191 has also achieved partial success and subject to any successful appeal, the application will proceed to registration only in respect of the services set out at paragraph 65 of this decision.

104. Finally, opposition no. 3849192 has also achieved partial success and subject to any successful appeal, the application will proceed to registration in respect of the services set out at paragraph 76 of this decision only.

COSTS

Across the three actions, both parties have achieved a relatively equal measure of success. I therefore direct that each party bears its own costs in these proceedings.

Dated this 30th day of October 2024

Rosie Le Breton

For the Registrar