

BL O/1046/24

TRADE MARKS ACT 1994

IN THE MATTER OF  
INTERNATIONAL TRADE MARK REGISTRATION NO. 1391127  
DESIGNATING THE UK IN THE NAME OF  
COTE, CHRISTOPHER  
FOR THE TRADE MARK:

**WATER MAGIC**

IN CLASS 16

-AND-

AN APPLICATION FOR A DECLARATION OF THE INVALIDITY THEREOF  
UNDER NO. 505385  
BY  
JAMES GALT & CO. LIMITED

## **Background and pleadings**

1. Cote, Christopher (“**the Proprietor**”) is the holder of international trade mark registration No. 1391127 for the word mark ‘WATER MAGIC’. On 1 February 2018, the Proprietor applied to protect the mark in the UK. Protection was subsequently conferred on 31 May 2018. It is protected for the following goods:

### Class 16

*Stationery.*

2. The Proprietor’s international registration (which is based on the Proprietor’s national USA trade mark registration No. 5079851) disclaims the word ‘WATER’, consequently, the UK designation also disclaims protection for the word ‘WATER’.

3. On 23 September 2022, James Galt & Co. Limited (“**the Applicant**”), applied to have the Proprietor’s UK designation declared invalid under section 47 of the Trade Marks Act 1994 (“**the Act**”). The application is based on the ground set out in section 5(4) of the Act.

4. The Applicant relies on its alleged earlier rights in the sign ‘WATER MAGIC’, which it claims it has used extensively throughout the UK since 2007 in relation to stationery and toys. In summary, the Applicant claims that the Proprietor’s use of the identical mark ‘WATER MAGIC’ for identical goods in Class 16 amounts to passing off.

5. The pleadings contain the following submissions:

*“By reference to the Mark the Cancellation Applicant has extensively marketed its products and has generated millions of pounds in sales. As a result of its considerable trade mark use under the Mark, it has developed and acquired valuable goodwill in the Mark.*

*If the proprietor were to use the challenged registration, in trade in the UK, for the goods covered, then this would amount to a misrepresentation, leading the public to believe that the proprietor's goods are those of the Cancellation Application.*

*This misrepresentation is likely to cause damage to the goodwill of the Cancellation Application and/or damage and loss through diversion in sales. Accordingly, the challenged registration should be declared invalid.”*

6. The Proprietor filed a defence and counterstatement in which it denies the Applicant’s claims.

7. Only the Applicant filed evidence. The Proprietor filed submissions pursuant to the Applicant’s filing of its evidence in chief,<sup>1</sup> to which the Applicant responded with evidence in reply. Neither party requested a hearing and only the Applicant elected to file submissions in lieu of a hearing. I therefore make this decision following a careful consideration of the papers before me.

8. The Applicant is represented by Appleyard Lees IP LLP and the Proprietor is represented by Mewburn Ellis LLP.

### **Applicant’s evidence**

#### **First Witness Statement of David John Bate and accompanying exhibits**

9. The Applicant’s evidence in chief is provided in the first witness statement of David John Bate. Mr Bate is the Applicant’s finance director, a position he has held since 20 July 2020. His witness statement is dated 14 August 2023 and has thirteen accompanying exhibits labelled DJBEX1 to DJBEX13. Mr Bate states that the purpose of his Witness Statement is to provide *“information about James Galt’s extensive use of WAER MAGIC throughout the United Kingdom and to show the identity between its mark and the Registration”*.

10. The Applicant’s evidence in reply is provided in response to the Proprietor’s submissions and consists of the following two witness statements:

---

<sup>1</sup> The Proprietor’s submissions criticised the illegibility of parts of the Applicant’s evidence in chief filed on 14 August 2023. The Applicant, having explained the reduction in image quality was due to the files having been compressed in order to send them more easily via email, sought leave (which was granted) to re-file higher quality files. This was not new evidence, merely a replacement of evidence already filed. Therefore it is the re-filed version of the evidence (filed on 27 November 2023) which I take into consideration. Although I note that parts of Exhibit DJBEX7 pertaining to the Applicant’s trade catalogues is still poorly reproduced, namely the small print.

## Second Witness Statement of David John Bate and accompanying exhibits

11. Mr Bate's witness statement is dated 15 December 2023 and has two accompanying exhibits labelled DJB2EX1 - DJB2EX2 which consist of invoices.

## Witness Statement of Daniel James Bailey and accompanying exhibit

12. Mr Bailey is a chartered trade mark attorney and solicitor who is employed by the Applicant's representatives. His statement is dated 15 December 2023 and has one accompanying exhibit labelled DB1EX1. This evidence in reply takes the form of additional customer reviews for the Applicant's products obtained from the 'Amazon UK' platform and is filed in response to the Proprietor's submissions in relation to the 'Amazon UK' reviews contained in the evidence in chief.

## **DECISION**

### **Legislation and Case Law**

13. Section 5(4)(a) of the Act has application in invalidation proceedings pursuant to section 47 of the Act. The relevant provisions of the Act are as follows:

#### Section 47

“(2) [...] the registration of a trade mark may be declared invalid on the ground—

(a) [...]

(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.”

Sections 5(4)(a) and 5(4A)

“5(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

[...]

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.

5(4A) The condition mentioned in subsection (4)(a) is that the rights to the unregistered trade mark or other sign were acquired prior to the date of application for registration of the trade mark or date of the priority claimed for that application.”

14. The elements necessary to reach a finding of passing off are the ‘classical trinity’ 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:

“First, he must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying ‘get-up’ (whether it consists simply of a brand name or a trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff’s goods or services. Secondly, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by him are the goods or services of the plaintiff. Thirdly, he must demonstrate that he suffers or, in a quia timet action, that he is likely to suffer damage by reason of the erroneous belief engendered by the defendant’s misrepresentation that the source of the defendant’s goods or services is the same as the source of those offered by the plaintiff.”

15. 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, summarised the 'classical trinity' as follows:

"55. [...] 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)."

16. 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.”

### **Relevant date**

17. The relevant date for the purposes of section 5(4)(a) of the Act is, in the first instance, the filing date of the contested trade mark (or if there is a priority date, that date). There can be circumstances in which a proprietor of a contested trade mark claims that it has used the mark prior to filing its application for registration, therefore the position would have to be assessed at an earlier point in time i.e. when the proprietor commenced the acts complained of.<sup>2</sup>

18. However, there is no claim for earlier use by the Proprietor and so the relevant date is the date the Proprietor sought to protect its international registration in the UK, namely, 1 February 2018.

### **Goodwill**

19. The concept of goodwill was considered by the House of Lords in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217:

---

<sup>2</sup> See *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O/410/11, in particular paragraph 43, wherein 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.

“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.”

20. ‘Kerly’s Law of Trade Marks and Trade Names 17th Edition’,<sup>3</sup> refers to ‘reputation’ as the level of awareness of a sign on the part of the relevant public and notes that:

“Goodwill and reputation are closely linked; there can be no goodwill in a sign [...] unless it is known to the public and distinguishes the goods or services in relation to which it is used. In the context of passing off, goodwill has been stated to represent, in connection with any business or business product, the value of the attraction to customers which the name and reputation possesses.<sup>56</sup> [...]”

<sup>56</sup> *Reuter v Mulhens* (1953) 70 R.P.C. 235 at 254”

21. Goodwill is an essential requirement to establish a claim for passing off. In *Star Industrial Com Ltd v Yap Kwee Kor (t/a New Star Industrial Co)*, Lord Diplock stated that:<sup>4</sup>

“A passing-off action is a remedy for the invasion of a right of property not in the mark, name or get-up improperly used, but in the business or goodwill likely to be injured by the misrepresentation made by passing-off one person’s goods as the goods of another. Goodwill, as the subject of proprietary rights, is incapable of subsisting by itself. It has no independent existence apart from the business to which it is attached.”

22. The Applicant must therefore show that it had goodwill in a business at the relevant date and that the sign relied upon, WATER MAGIC, is associated with, or distinctive of, that business.

---

<sup>3</sup> Chapter 20 at 20-023.

<sup>4</sup> [1976] F.S.R. 256 (PC) at 269. Lord Diplock’s statement was later referred to and endorsed by Lord Neuberger in *Starbucks (HK) Ltd v British Sky Broadcasting Group Plc* [2015] UKSC 31; [2015] 1 W.L.R. 2628.

23. The location of the goodwill is also important. In *Starbucks (HK) Ltd v British Sky Broadcasting Group Plc*,<sup>5</sup> Lord Neuberger (with whom the rest of the Supreme Court agreed) stated words to the effect that goodwill must be established in the UK and this involves a requirement that the customers of the relevant goods are also in the UK.

24. The Applicant is a UK company incorporated in 1914.<sup>6</sup> The Applicant's witness, Mr Bate, states that the Applicant is a British toy manufacturer that has over one hundred and eighty years of experience in toy design, whose business has its origins in Manchester where sales of its products began in 1836.<sup>7</sup> He also states that the Applicant's products adhere to strict safety standards set out by the 'British Toy and Hobby Association' of which it is a member.<sup>8</sup>

25. He asserts that the Applicant has, since 2007, been using the sign 'WATER MAGIC' in relation to toys and stationery throughout the UK and has continued to use it extensively since.

26. The 'stationery' section of the Applicant's 2007 trade catalogue shows that the 'WATER MAGIC' product is "new" to the 2007 product range.<sup>9</sup> Whilst Mr Bate states that the 'WATER MAGIC' mark has been used by the Applicant in relation to a "*broad range of stationery and toys*", as will become apparent, the evidence only shows use on a range of children's colouring books which are sold with a purpose-made pen which must be filled with water.

27. The Applicant's 'WATER MAGIC' products are marketed as mess-free, reusable colouring books 'with a hint of magic'. The users are told that the 'magic' is in the pages of each book and that all they need to do is fill the accompanying pen with water and use it to 'colour in' the pages to reveal hidden colours and designs. Then once dry, the designs 'magically' disappear, ready to be re-discovered over and over again.<sup>10</sup> The

---

<sup>5</sup> [2015] UKSC 31, paragraph 47.

<sup>6</sup> Exhibit DJBEX1.

<sup>7</sup> First Witness Statement of David John Bate.

<sup>8</sup> Exhibit DJBEX3 is an extract of the 'members' page of the 'British Toy and Hobby Association' ('BTHA') website containing details of their mission statement and listing 'GALT' as one of its members. It states that the BTHA code of practice ensures that its members meet the requirements of UK legislation across a range of issues from safety to advertising.

<sup>9</sup> Exhibit DJBEX7, page 87 of the evidence.

<sup>10</sup> Exhibit DJBEX8.

colouring books have different themes which have been added to the range since its launch, such as 'Dinosaurs', 'Safari', 'Farm Animals', 'Under the sea', 'Unicorns' etc.<sup>11</sup>

28. Some images of the Applicant's 'WATER MAGIC' colouring books are included below.<sup>12</sup>



29. Earlier versions of the 'WATER MAGIC' sign displayed on the colouring books are as follows:

From the 2007 trade catalogue:



From the 2013 trade catalogue:



<sup>11</sup> See the GALT product catalogues contained in Exhibit DJBEX7, and the product listings on third party websites contained in Exhibits DJBEX8 and 9.

<sup>12</sup> Exhibit DJBEX8.

30. Evidence dated 2015 onwards shows the following 'WATER MAGIC' sign displayed on the colouring books:



And the sign appears as follows on gift sets:



31. The following 'GALT' sign is displayed in the top left-hand corner of the 'WATER MAGIC' colouring books and is displayed on the cover, and throughout the pages of the 'GALT' trade catalogues, as well as on the Applicant's website:



32. The Applicant has provided extracts from the 'GALT' trade catalogues for 2007, 2013 and for each year from 2015 to 2019. With the exception of the 2018 catalogue, which has its own dedicated section for 'WATER MAGIC' products, the Applicant's 'WATER MAGIC' colouring book range features in the 'stationery' section of the trade catalogues.<sup>13</sup> The 2018 catalogue states that the 'WATER MAGIC' range is its "*bestselling*" stationery range.<sup>14</sup>

33. Mr Bate states that around 8,000 trade catalogues are produced each year – 4,000 for the UK market and 4,000 for the USA market.<sup>15</sup> He provides a copy of the invoice (dated 11 December 2017) for the total cost of printing 8,000 copies of the 2018 'GALT Trade Catalogue' to support his statement, the invoice total being £12,125, £7,564 of

---

<sup>13</sup> Exhibit DJBEX7.

<sup>14</sup> Exhibit DJBEX7, page 76.

<sup>15</sup> Second Witness Statement of David John Bate.

which was for the printing of the 4,000 ‘UK Galt Trade Catalogues’.<sup>16</sup> Although it appears from a signed, handwritten note on the face of the invoice, that half of the £7,564 expenditure was apportioned to the UK (i.e. £3,782) and the other half for “export”. No evidence as to distributorship is provided.

34. Mr Bate provides the following table with 12 years’ worth of UK turnover figures for the Applicant’s ‘WATER MAGIC’ products, showing that the turnover has grown from over £20,000 in 2007 to circa £1.5 million in 2018:

<b>Year</b>	<b>UK Sales</b>
2007	£20,728
2008	£63,864
2009	£91,216
2010	£141,946
2011	£146,460
2012	£128,377
2013	£191,958
2014	£337,810
2015	£506,834
2016	£715,838
2017	£1,200,441
2018	£1,560,237
<b><u>TOTAL</u></b>	<b><u>£5,105,709</u></b>

35. The Proprietor criticised the lack of evidence of invoices to support the turnover figures. In its evidence in reply, the Applicant provided a selection of five invoices, issued to two UK-based trade customers, namely, ‘The Entertainer’ and ‘Lidl UK GmbH’, showing the sale of ‘WATER MAGIC’ products by ‘GALT’. The four invoices issued to ‘The Entertainer’ are dated in 2014, 2015 and 2016 and are for a combined total sale of 11,220 units; the single invoice to ‘Lidl UK’ is dated 24 October 2018 and is for 2,148 units.<sup>17</sup>

36. ‘Galt Water Magic’ colouring books were listed for sale online by a variety of UK retailers.<sup>18</sup> The evidence dated before 1 February 2018 is taken from the websites for

<sup>16</sup> Exhibit DJB2EX2.

<sup>17</sup> Exhibit DJB2EX1 to the Second Witness Statement of David John Bate.

<sup>18</sup> Exhibit DJBEX9.

'HobbyCraft',<sup>19</sup> 'John Lewis' (see below),<sup>20</sup> and 'The Toy Shop'.<sup>21</sup> The products were also listed for sale online (at least on 6 July 2023 – the date the screen captures were obtained) via the websites for 'Fun Learning', 'Smyths' toys, and 'WH Smith'.



37. Product reviews for the 'WATER MAGIC – Animals' colouring book posted on the 'John Lewis' website are provided. There are a total of 22 customer reviews with an average of 4.7 out of 5 stars, 15 of which are dated from 19 November 2014 to 16 January 2018 (the remainder being dated from 24 April 2018 to 16 February 2023). The 'John Lewis' customer reviews speak to the quality of the product, and the enjoyment experienced by children using the product.

38. The Applicant also sells its 'WATER MAGIC' colouring books via the 'Amazon UK' platform.<sup>22</sup> Whilst the evidence was obtained from the platform on 24 July 2023 and 15 December 2023, the product listings show when those products were first made available with one having first been available on the platform from 28 July 2007,<sup>23</sup> and other editions having been added in 2008, 2015, 2017 and one in 2018. The evidence shows that the Applicant's 'WATER MAGIC' colouring books have collectively amassed thousands of customer ratings on 'Amazon UK', with an average review

<sup>19</sup> Dated 20 October 2013.

<sup>20</sup> Dated 14 November 2013 and 23 July 2017.

<sup>21</sup> Dated 5 December 2015 and 5 January 2016.

<sup>22</sup> Exhibit DJBEX8 to the First Witness Statement of David John Bate and Exhibit DB1EX1 to the Witness Statement of Daniel James Bailey.

<sup>23</sup> Exhibit DJBEX8.

rating of either 4.6 or 4.7 out of 5 stars. The 'WATER MAGIC – Farm' edition alone had garnered 3,558 reviews (see below):<sup>24</sup>

Customer Reviews	4.7 ★★★★★ <small>ratings</small> 3,558 4.7 out of 5 stars
Best Sellers Rank	9,413 in Toys & Games (See Top 100 in Toys & Games) 90 in Kids' Colouring Pens & Markers
Date First Available	1 Jan. 2008

39. The 'Amazon UK' evidence shows reviews from UK customers over a range of years before the relevant date, dating back as far as 2011, it also shows that the products continued to receive reviews after the relevant date, from 2018 to 2023.<sup>25</sup> The reviews speak to the quality of the products, the enjoyment experienced by children using the products and some suggest repeat custom. I include examples below:

 katheeee25

★★★★★ **must buy if you like clean fun**

Reviewed in the United Kingdom on 20 July 2013

Style Name: Animals | **Verified Purchase**

delivery was prompt, product was as described. The colours come through so brightly, nothing like the wishy washy magic painting books you can get.....AND it's re-usable.... genius. Could not be more pleased. 4 year old daughter sat down !quietly! and immediately and got painting. I have not used the attached pen/brush as i read an earlier review that recommended using the aqua doodle pen if you had one, so I did and it works like a dream. About to buy 2 more as my daughter has 2 birthday parties coming up and will make great prezzies :o)

 Secretary1949

★★★★★ **These are absolutely fantastic for children**

Reviewed in the United Kingdom on 29 September 2017

**Verified Purchase**

These are absolutely fantastic for children. It is easy to fill the pen with ordinary water and then when they colour the pictures appear. As they dry the pictures disappear again and they can be used over and over again. We use these when taking our grandchildren to restaurants as they are small, easily managed and really keep the children entertained. A great success all round. I have given all these books the same great review.

<sup>24</sup> Obtained from Exhibit DJBEX8.

<sup>25</sup> Exhibit DJBEX8 to the First Witness Statement of David John Bate and Exhibit DB1EX1 to the Witness Statement of Daniel James Bailey.



lindsayuk

★★★★★ Excellent for a toddler

Reviewed in the United Kingdom on 9 December 2017

Verified Purchase

Bought for using on the plane. My 2 year old loves it. I'd happily buy more and recommend to anyone.

40. The Proprietor has criticised parts of the evidence for being undated and/or dated “*outside of the relevant period*”. As a matter of clarity, I note that my assessment is not based on a ‘relevant period’ as defined in section 6A of the Act (which is in relation to proof of use of an earlier registered trade mark), and instead I must consider whether goodwill existed at **the relevant date** (and in what that goodwill lies).

41. Since a claim for passing off seeks to prevent a loss of business (including future business) by preventing the diversion of sales to another business, evidence dated after the relevant date is still relevant when it demonstrates a continuing pattern of trade and ongoing business – it is that ongoing trade which a claimant is seeking to protect.

42. Undated evidence such as the Applicant’s product listing on the ‘WH Smith’ website, and evidence dated after the relevant date such as the ‘Lidl UK’ invoice, and continuing product reviews on the ‘John Lewis’ website and ‘Amazon UK’ year-on-year after the relevant date, all paint a picture of a continuing pattern of trade and ongoing business which I do not overlook, therefore later evidence such as this still has relevance, particularly if it casts light backwards on the position at the relevant date.<sup>26</sup>

43. The Applicant is James Galt & Co. Limited and it is clear that the ‘GALT’ name and logo is one of the primary signs associated with the Applicant’s business. It is also clear that ‘WATER MAGIC’ is another sign associated with the Applicant’s business. The sign ‘WATER MAGIC’ has been used by the Applicant both in plain text (for example on invoices, on its website and in its trade catalogues), and in a slightly stylised version on the goods themselves. Images of the Applicant’s colouring books show that the ‘WATER MAGIC’ sign features prominently in a central position on these products (the ‘GALT’ branding appears much smaller in comparison, being located in the top left-hand corner). The words are used for the most part with the word ‘WATER’

---

<sup>26</sup> *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited*, [2012] EWHC 1929 (Ch).

appearing above the word 'MAGIC', written in white on a coloured background (the background colour changing depending on the theme of the book).

44. Taking all the relevant factors into account, I am satisfied that the evidence sufficiently demonstrates that **at the relevant date**, the Applicant had protectable goodwill arising from the business of selling toys and stationery for children. Part of that business relates to the sale of stationery for children in the form of water colouring books (and accompanying water pens) which the Applicant has sold over a number of years – certainly since 2007, and the sign associated with or distinctive of the goodwill derived from that business is 'WATER MAGIC'. The use shown is such that the goodwill is associated with the words, *per se*.

### **Misrepresentation**

45. 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.”

46. 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.”

47. In *Lumos Skincare Limited v Sweet Squared Limited and others* [2013] EWCA Civ 590, Lord Justice Lloyd commented on the paragraph above as follows (my emphasis for clarity):

“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.”

#### Evidence of the Proprietor's products

48. The Applicant's witness, Mr Bate, provides evidence which he describes as “*screenshots of products available on the website [www.scentcoinc.com](http://www.scentcoinc.com) and taken from Amazon that show the identity between Christopher Cote's products, sold via Scentco, and James Galt's products*”.

49. This evidence derives from the ‘Amazon UK’ platform showing a product listing for “*Water Magic paint with water colouring books [which] come with gourmet SCENTED water pens*” – first made available on the platform on 8 May 2022.<sup>27</sup> The accompanying product description is:


“Water Magic activity books include scented brushes and no-mess water painting. No more messy clean up after long car rides, flights and waiting rooms. Fill the brush with water and watch amazing scenes come to life with simple stroke of the brush. Let it dry and the colours disappear, just like magic!”

---

<sup>27</sup> Exhibit DJBEX13 to the First Witness Statement of David John Bate.

50. Images taken from this product listing are below:



 **Scentco Water Magic - Scented Reusable Water Reveal Activity Books - No Mess, All Fun (Forest Friends and Ocean Friends) - No Mess, All Fun**

Visit the Scentco Store  
4.6 ★★★★★ 47 ratings

£16<sup>61</sup>

Colour Name: **Forest Friends and Ocean Friends**

<b>Brand</b>	Scentco
<b>Age range (description)</b>	Kid
<b>Theme</b>	Car,Forest
<b>Material</b>	Paper
<b>Colour</b>	Forest Friends and Ocean Friends

Roll over image to zoom in

**About this item**

- Water Magic paint with water coloring books each come with gourmet SCENTED water pens
- With reusable activity pages that fill with vibrant color when wet and erase when dry, these fun travel activities work like magic
- No-mess water reveal coloring pads are the ideal gift for on-the-go fun and are a perfect distraction for kids in the car
- Practice early learning concepts and promote skill development with these creative sensory exploration activity books

## Disclaimer and the competing signs

51. Section 13 of the Act provides applicants for registration with the possibility to disclaim any right to the exclusive use of any specified element of their trade mark.

52. However, section 13 does not apply to proceedings before the Registry under section 5 of the Act. This is because disclaimed matter must not be excluded from the assessment of “*likelihood of confusion (or other damage)*”, and it is the totality of the signs that must be compared – the mere fact that one element is disclaimed will not in and of itself be sufficient to avoid a “*likelihood of confusion (or other damage)*”. This practice is outlined in Tribunal Practice Notice (‘TPN’) 1/2020: Disclaimers/Limitations of Marks, which provides that (my emphasis for clarity):

“The element(s) of a trade mark that is (are) subject to a disclaimer **will be taken into account** in the assessment of a likelihood of confusion with (or other damage from) a later mark, even where the disclaimed element is the only point of similarity with the later mark.”

53. However, TPN 1/2020 goes on to state that:

“elements of trade marks which are in fact descriptive and/or non-distinctive will continue to be given less weight than distinctive features in assessments made under section 5 of the Act.”

54. The Proprietor’s registration disclaims protection for the word ‘WATER’ thereby relinquishing any exclusive rights in that element of the mark. Whilst I have no submissions nor evidence before me as to the reasons why the Proprietor decided to disclaim the word ‘WATER’, I note in general terms that applicants can elect to apply a disclaimer to their mark in order to secure registration, for example, where they admit that a disclaimed component of their mark is not distinctive of their goods and services. Since disclaimers are no longer requested by the UK Registry under the Trade Marks Act 1994,<sup>28</sup> the Proprietor’s disclaimer may have well been a requirement of the

---

<sup>28</sup> Unlike the previous Trade Marks Act 1938, under which disclaimers were historically requested on composite distinctive marks containing individual descriptive/non-distinctive elements. The disclaimer’s purpose was to make clear to third parties that independent use of those descriptive/non-distinctive elements would not infringe the registered trade mark. To illustrate this point, the trade mark ‘ASDA FARM STORES’ might have been accompanied by the disclaimer “*Registration of this mark shall give no right to the exclusive use of the words ‘Farm Stores’*” in order to assure other traders that innocent use of the descriptive term ‘farm stores’ would not infringe Asda’s trade mark.

USPTO (given that the basis of the Proprietor's international registration is its national USA trade mark registration).

55. Whatever the reason for the disclaimer, it does not in and of itself prevent the Applicant from being able to show that use of the later mark (to which the disclaimer applies) is likely to be misleading. I also bear in mind that the scope of protection of an earlier right would be unaffected by a disclaimer entered on a later filed mark. As I have already found, the Applicant had protectable goodwill at the relevant date and it is the compound term 'WATER MAGIC' which is distinctive of that goodwill – the disclaimer does not affect the scope of protection.

56. Whilst traders cannot monopolise merely descriptive words, it is not obvious to me how 'WATER' is descriptive and/or non-distinctive in relation to 'stationery', although I acknowledge that within the context of the colouring books at hand, 'WATER' describes the medium with which the pages of the books are 'coloured', and so, when combined with the word 'MAGIC' it gives an allusive nod to the special nature of these colouring books, because no pigmented medium is needed to 'colour' them in. The word 'WATER' does not however describe the colouring books themselves.

57. It is nevertheless important to view the contested mark as a whole, as a consumer would, especially taking into account that: (1) 'WATER' is in any event not the only point of similarity with the Applicant's sign; (2) disclaimers are recorded on the register and are not outwardly visible to consumers – therefore whether a consumer would give any weight to the word 'WATER' or not would be despite the disclaimer; and (3) the fact that notwithstanding the disclaimer, the registration is not merely for the word 'MAGIC', it is for the compound term 'WATER MAGIC'.

58. I also do not overlook how the Proprietor is actually using its registration in the real world, and it is clear that the word 'WATER' features equally as prominently as the word 'MAGIC' on the Proprietor's colouring books as part of a compound sign.

59. In summary, taking all the foregoing into account, even if the word 'WATER' is attributed less weight, I do not exclude it in my assessment, and therefore when comparing the totality of the Proprietor's registration for 'WATER MAGIC' with the totality of the Applicant's sign 'WATER MAGIC', it is indisputably clear that they are

identical – the fact that ‘WATER’ is disclaimed in the Proprietor’s mark is not sufficient to avoid a finding of overall identity.

### Goods

60. The contested mark is registered for the broad term ‘stationery’ in Class 16. The Applicant’s goods for which it has goodwill (being children’s colouring books and accompanying water pens), fall within the broad category ‘stationery’. Clearly these are identical or highly similar goods.

### Conclusion on misrepresentation

61. I consider that a person who is aware of the Applicant’s ‘WATER MAGIC’ colouring books and accompanying water pens, would believe that use of the identical sign ‘WATER MAGIC’ in relation to colouring books and related goods (such as pens, pencils, crayons, artist’s paints and painting brushes etc.), originates from the same undertaking i.e. that of the Applicant. In conclusion, use of the Proprietor’s mark ‘WATER MAGIC’ in relation to colouring books and related goods in the same class, at the relevant date, would have constituted a misrepresentation leading to a deception or likelihood of deception amongst a substantial number of people.

### Damage

62. Where there is a misrepresentation, it is usually the case that damage will follow. Therefore, even in the absence of evidence, damage will generally be presumed because the misrepresentation puts the claimant’s goodwill at risk. In *W.S. Foster & Son Limited v Brooks Brothers UK Limited*,<sup>29</sup> Iain Purvis QC, sitting as a Deputy Judge stated (my emphasis for clarity):

“Damage

55. Although proof of damage is an essential requirement of passing off cases, **it will generally be presumed** where a misrepresentation leading to a likelihood of deception has been established, since such deception will be likely to lead to loss of sales and/or more general damage to the exclusivity of the

---

<sup>29</sup> [2013] EWPC 18

Claimant's unregistered mark. Mr Aikens accepted that if there was a misrepresentation in the present case, then he had no separate case on damage. **I hold that damage is inevitable**, at least in the sense recognised in *Sir Robert McAlpine v Alfred McAlpine [2004] RPC 36* at 49 (the 'blurring, diminishing or erosion' of the distinctiveness of the mark)."

63. In *Harrods Limited V Harrodian School Limited*,<sup>30</sup> 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."

64. Having found that the goodwill and misrepresentation limbs of the 'classical trinity' test have been satisfied and that the parties' respective goods are identical, it follows that damage to the Applicant's goodwill will arise, most obviously, by diverting trade from the Applicant to the Proprietor. I therefore find that use of the Proprietor's mark at the relevant date was liable to be restrained under the law of passing off in respect of all the goods for which it is registered.

#### Partial Refusal – TPN 1/2012

65. I have found misrepresentation in relation to colouring books and related goods in the same class and that damage to the Applicant's goodwill will arise in relation to those goods. Bearing in mind the broad nature of the Proprietor's specification i.e. 'stationery', I had considered whether it was possible to offer the Proprietor a reduced specification, thereby giving effect to section 47(5) of the Act.

66. Whilst I appreciate that the broad term 'stationery' encompasses goods other than colouring books and goods related to colouring books, evidence of the Proprietor's use of its mark clearly indicates that the parties operate in the same field of activity and the evidence at least supports a finding as to what the Proprietor is likely to be

---

<sup>30</sup> [1996] RPC 697.

using its mark in relation to (namely re-usable colouring books for children with accompanying water pen).

67. No fall-back position has been provided by the Proprietor and I do not find it possible to formulate a narrower specification covering the goods provided by the Proprietor, as indicated in the evidence, since the narrower specification would not avoid conflict with the Applicant's colouring books in any event.

68. In this regard I note that TPN 1/2012 which relates to partial refusals states that:

“where an opposition or invalidation action is successful against a range of goods/services covered by a broad term or terms, it may be considered disproportionate to embark on formulating proposals which are unlikely to result in a narrower specification of any substance or cover the goods or services provided by the owner's business, as indicated by the evidence. In these circumstances, the trade mark will simply be refused or invalidated for the broad term(s) caught by the ground(s) for refusal.”

69. I find that to be the case here. In these circumstances, the contested trade mark shall be invalidated for the broad term 'stationery'.

## **OUTCOME**

70. The application to invalidate the UK designation of international trade mark registration No. 1391127 under sections 47(2)(b) and 5(4)(a) of the Act is successful in its entirety. Subject to any appeal against my decision, the contested mark will be declared invalid in the UK. Under section 47(6) of the Act, the UK designation of the international registration is deemed to have never been made.

## **COSTS**

71. The Applicant has been successful and is entitled to a contribution towards its costs, based on the scale published in Tribunal Practice Notice No. 2/2016. In the

circumstances, I award the Applicant the sum of £1,500, which has been calculated as follows:

Official fee for filing Form TM26I	£200
Preparing the Statement of Grounds and considering the Counterstatement	£200
Filing evidence	£800
Preparation of submissions in lieu of a hearing	£300
<b>TOTAL</b>	<b>£1,500</b>

72. I therefore order Cote, Christopher to pay James Galt & Co. Limited, the sum of **£1,500**. The sum should be paid within twenty-one days of the expiry of the appeal period or, if there is an appeal, within twenty-one days of the conclusion of the appeal proceedings.

**Dated this 6<sup>th</sup> day of November 2024**

**Daniela Ferrari**  
**For the Registrar**