



Neutral Citation Number: [2023] EWHC 411 (IPEC)

Case No: IP-2021-000046

**IN THE HIGH COURT OF JUSTICE**  
**BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES**  
**INTELLECTUAL PROPERTY LIST (ChD)**  
**INTELLECTUAL PROPERTY ENTERPRISE COURT**

Royal Courts of Justice, Rolls Building  
Fetter Lane, London, EC4A 1NL

Date: 27 February 2023

Before :

**HER HONOUR JUDGE MELISSA CLARKE**  
sitting as a Judge of the High Court

B E T W E E N :

**(1) INDUSTRIAL CLEANING EQUIPMENT  
(SOUTHAMPTON) LIMITED**

**Claimant**

- and -

**(1) INTELLIGENT CLEANING EQUIPMENT  
HOLDINGS CO., LTD (a company  
registered in the British Virgin Islands)**  
**(2) ICE UK ROBOTICS LIMITED**  
**(3) T L KILLIS & SONS LIMITED**  
**(4) KILLIS LIMITED**

**Defendants**

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.....  
**Ms Georgina Messenger** (instructed by D Young & Co) for the **Claimant**  
**Mr James St. Ville, KC** (instructed by Dorsey & Whitney) for the **Defendants**

Hearing dates: 31 October 2022 and 1 November 2022  
Further written submissions: 30 December, 6 January and 11 January 2023

.....  
**JUDGMENT**

**Her Honour Judge Melissa Clarke:**

## **INTRODUCTION**

1. This is judgment after a two day liability-only trial of a trade mark infringement and passing off dispute.
2. The Claimant, Industrial Cleaning Equipment (Southampton) Ltd (“C”) is a company which was incorporated in 1992. It operates a business providing retail, rental and maintenance services for commercial and consumer cleaning equipment. The business was originally set up in 1967 and run through another company of the same name from which C bought the goodwill and assets in 1992, but nothing turns on the identity of the entity carrying out the business at any particular time and I will refer to both as C. Over the years, C has carried out the business using the name ‘Industrial Cleaning Equipment’ and three versions of logos using the acronym ICE.
3. The First Defendant, Intelligent Cleaning Equipment Holdings Co. Ltd (“D1”) is part of the ICE group of companies whose ultimate parent company is Intelligent Cleaning Equipment Company, incorporated in the Cayman Islands (“ICE Group”). D1 was previously called International Cleaning Equipment Holdings Co. Ltd but changed its name to Intelligent Cleaning Equipment Holdings Co. Ltd on 15 December 2016. D1 holds the intellectual property rights for the ICE Group and is the registered proprietor of the ICE Group trade marks at issue in these proceedings. Various members of the ICE Group have, since 2011, designed and manufactured floor cleaning machines in China which have been imported into the UK for distribution and sale since 2013.
4. The Second Defendant, ICE UK Robotics Ltd (“D2”), is a UK company and an indirect subsidiary of D1. The Defendants say it is dormant and has never traded.
5. The Fourth Defendant, Killis Ltd (“Killis”) has been the ICE Group’s UK Distributor since 2019.

6. The Third Defendant, TL Killis & Sons Ltd (“**D3**”) is the parent company of Killis.
7. C and D1 are the proprietors of the following trade marks:

	Proprietor	Mark	Application date	Registration Date	Class
1.	C	ICE  (‘C’s ICE Sign’)	C says goodwill subsisting since at least 1992		
2.	C	  (‘C’s ICE Logo’)	C says goodwill subsisting since at least 2007		
3.	D1	ICE  UKTM No. 801256685 (‘D1’s ICE Word Mark’)	18 June 2015	25 May 2016	“floor cleaning machines” in class 7
4.	D1	  UKTM No. 801260671 (‘D1’s ICE Logo’)	18 June 2015	15 June 2016	“floor cleaning machines” in class 7
5.	C	  UKTM No. 3133002 (‘C’s ICE Logo’)	23 Oct 2015	22 Jan 2016	‘Retail, wholesale and online retail services relating to ...’ the sale of mobile applications, ‘cleaning equipment, machines and vehicles’ and so on (and other services) in classes 35 and ‘Rental of cleaning equipment, machines and vehicles; ...’ and so on (and other services) in class 37

6.	C	 CO-BOTICS  UKTM No. 3460809 ('C's ICE Co-Botics Logo')	24 Jan 2020	08 Aug 2020	'Retail, wholesale and online retail services relating to ...' the sale of mobile applications, 'cleaning equipment, machines and vehicles' and so on (and other services) in classes 35 and 'Rental of cleaning equipment, machines and vehicles; ...' and so on (and other services) in class 37
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7	D1	 ROBOTICS  UKTM No. 918241028  ('D1's ICE Robotics Logo')	18 May 2020	15 Sept 2020	'... Robotic cleaning machines; ... Floor cleaning machines ...' and other products in class 7
8	D1	 COBOTICS  UKTM No. 918241024  ('D1's ICE Cobotics Logo')	18 May 2020	15 Sept 2020	'... Robotic cleaning machines; ... Floor cleaning machines ...' and other products in class 7

8. In this judgment I will refer to:

- i) C's ICE Logo and C's ICE Co-Botics Logo together as "**C's Trade Marks**";
- ii) D1's ICE Word Mark and D1's ICE Logo together as "**D1's 2015 Trade Marks**"; and

- iii) D1's ICE Robotics Logo and D1's ICE Cobotics Logo together as "D1's 2020 Trade Marks".

## THE PLEADED CASE

### *C's claims in infringement and passing off*

9. C claims infringement by the Defendants of C's Trade Marks pursuant to sections 10(2)(b) and 10(3) of the Trade Marks Act 1994 ("TMA") as result of their:
  - i) Offering for sale, selling, offering for rent, renting and/or importing commercial cleaning equipment, in particular floor cleaning machines, under, by reference to and/or branded with:
    - a) The sign ICE
    - b) D1's ICE Logo
    - c) D1's ICE Robotics Logo;
  - ii) Importing commercial cleaning equipment, in particular floor cleaning machines, under, by reference to, and/or branded with
    - a) The sign ICE
    - b) D1's ICE Logo;
  - iii) Intending imminently to carry out the above acts under and/or by reference to the signs above and/or D1's ICE Robotics Logo and/or D1's ICE Cobotics Logo, on a *quia timet* basis.
10. C further claims that in consequence of C's goodwill in its business under or by reference to the sign ICE, C's ICE Logo and C's Trade Marks, these acts of the Defendants complained of, by use of the sign ICE or D1's ICE Logo or D1's ICE Robotics Logo, constitute passing off as misrepresenting to consumers that goods or services marked with those signs or offered under or by reference to them are those of C or are connected in the course of trade to C, contrary to fact.

### *The Defendants' defence to infringement and passing off*

11. The Defendants deny that D1 has carried out any of the alleged infringing acts in the UK as alleged or at all, pleading that all importation, promotion, offer for sale and sale of products carrying D1's marks set out above has been carried out by independent distributors such as Killis.
12. The Defendants admit that Killis has carried out the acts complained of. They defend the claim on the following grounds:
  - i) The invalidity of C's Trade Marks;
  - ii) Pursuant to section 11(1) and/or section 11(1A) of the TMA (use of another registered trade mark and/or later registered trade mark);
  - iii) Statutory acquiescence pursuant to section 48(1) TMA;
  - iv) In respect of section 10(2) TMA infringement, that there is no likelihood of confusion as a result of the circumstances of the case;
  - v) In respect of section 10(3) TMA infringement, that use of the signs complained of is not use so as to take unfair advantage of or be detrimental to the distinctive character or repute of C's Trade Marks;
  - vi) A denial that (a) there have been misrepresentations by the Defendants which have given rise to damage so as to amount to passing off and (b) there is any threat of such misrepresentations; and
  - vii) Use was with due cause because of the long-standing use of D1's ICE Word Mark and D1's ICE Logo in the UK since about 2013.

***C's invalidity case***

13. C seeks to invalidate:
  - i) D1's 2015 Trade Marks pursuant to sections 47(2)(b) and 5(4)(a) TMA (C having confirmed in closing that its pleaded case under sections 47(1) and 3(6) TMA, that the applications were made in bad faith, is not pursued in relation to D1's 2015 Trade Marks); and

- ii) D1's 2020 Trade Marks pursuant to sections 47(1) and 3(6) TMA and/or sections 47(2)(a) and 5(2) and/or 5(3) TMA and/or sections 47(2)(b) and 5(4)(a) TMA.

***The Defendants' counterclaim***

14. The Defendants counterclaim for:

- i) Invalidation of C's Trade Marks pursuant to section 47(2) and 5(2) TMA, relying on D1's 2015 Trade Marks;
- ii) Invalidation of C's ICE Co-Botics Logo under sections 47(2) and 3(6) TMA (bad faith);
- iii) Infringement of D1's ICE Word Mark by C pursuant to sections 10(1) and/or 10(2) TMA as a result of its selling and offering for sale and threatening to sell and offer for sale floor cleaning machines and similar equipment which are marked with the name ICE.

***C's Defence to Counterclaim***

- 15. C admits that Mr Bresnihan, C's Managing Director, became aware in or around July 2014 that the ICE Group's then-exclusive UK distributor WCS were selling ICE Group's products in the UK under D1's ICE Sign and D1's ICE Logo, but denies that C was aware of the registration of the D1 2015 Trade Marks until 2 July 2019.
- 16. C defends the Counterclaim by its case that D1's 2015 and 2020 Trade Marks are invalid; further it denies registering C's ICE Co-Botics Trade Mark in bad faith.

**LAW**

***Trade Mark Infringement***

17. Section 10 TMA provides:

- (1) A person infringes a registered trade mark if he uses in the course of trade a sign which is identical with the trade mark in relation to goods or services which are identical with those for which it is registered.

(2) A person infringes a registered trade mark if he uses in the course of trade a sign where because –

- a. The sign is identical with the trade mark and is used in relation to goods or services similar to those for which the trade mark is registered, or
- b. The sign is similar to the trade mark and is used in relation to goods or services identical with or similar to those for which the trade mark is registered,

There exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the trade mark.

(3) A person infringes a registered trade mark if he uses in the course of trade, in relation to goods or services, a sign which –

- a. Is identical with or similar to the trade mark,
- b. ....
- c. Where the trade mark has a reputation in the United Kingdom and the use of the sign, being without due cause, takes advantage of or is detrimental to the distinctive character or the repute of the trade mark.

(3A) Subsection (3) applies irrespective of whether the goods and services in relation to which the sign is used are identical with, similar to or not similar to those for which the trade mark is registered.

...

(4) For the purposes of this section a person uses a sign if, in particular, he

- a. Affixes it to goods or the packaging thereof;
- b. Offers or exposes goods for sale, puts them on the market or stocks them for those purposes under the sign, or offers or supplies services under the sign;
- c. Imports or exports goods under the sign; or
- d. Uses the sign as a trade or company name or part of a trade or company name;
- e. Uses the sign on business papers and in advertising; or

- f. Uses the sign in comparative advertising in a manner that is contrary to the Business Protection from Misleading Marketing Regulations 2008.
18. Kitchen LJ provided guidance with regard to the approach to assessing infringement under s10(2) TMA at [52] of *Specsavers International Healthcare Ltd v Asda Stores Ltd* [2012] EWCA Civ 24. This guidance is very well known, and I will not set it out here, but I will keep those principles in mind when carrying out that assessment. Kitchen LJ also summarised the six conditions necessary for infringement under Article 5(1)(b) of the Directive, which was implemented into the UK by section 10(2) TMA, at [28] of *Comic Enterprises v Twentieth Century Fox Film Corp* [2016] EWCA Civ 41 and the nine conditions necessary for the court to be satisfied of section 10(3) infringement at [111] of that case. I will come back to those when considering infringement.
19. “Confusion” for the purposes of infringement, can arise in different ways. These include concepts usually referred to as ‘direct confusion’, ‘indirect confusion’ and ‘wrong way round confusion’ which were described by Arnold LJ recently in *Liverpool Gin Distillery Ltd v Sazerac Brands LLC* [2021] ETMR 57 as follows at paras [10] to [14]:
- [10] It is well established that there are two main kinds of confusion which trade mark law aims to protect a trade mark proprietor against... The first, often described as “direct confusion”, is where consumers mistake the sign complained of for the trade mark. The second, often described as “indirect confusion”, is where the consumers do not mistake the sign for the trade mark, but believe that goods or services denoted by the sign come from the same undertaking as goods or services denoted by the trade mark or from an undertaking which is economically linked to the undertaking responsible for goods or services denoted by the trade mark.
- ...
- [14] “Likelihood of confusion” usually refers to the situations described in paragraph 10 above. As this Court held in *Comic Enterprises*, however, it also embraces situations where consumers believe that goods or services denoted by the trade mark come from the same undertaking as goods or services denoted by the sign or an economically linked undertaking (sometimes referred to as “wrong way round confusion”).
20. Section 11(1) TMA provides:

(1) A registered trade mark is not infringed by the use of a later registered trade mark where that later registered trade mark would not be declared invalid pursuant to section 47(2A) or (2G) or section 48(1).

21. S11A TMA was repealed by the Trade Marks (Amendment etc) (EU Exit) Regulations 2019, SI 2019/269, reg 4, Sch3, paras 1, 7(1), (2), subject to transitional and savings provisions in Sch 5, para 7 to the 2019 Regulations, which states:

“(1) Any application or proceeding under the 1994 Act which was made or commenced before the coming into force of these Regulations shall be dealt with under the 1994 Act as it had effect before regulation 4 came into force.

(2) The repeal of section 52 of the 1994 Act (Power to make provision in connection with European Union Trade Mark Regulation) does not affect any proceedings which are pending on the coming into force of these Regulations before the EU trade mark courts designated by regulation 12 of the Community Trade Mark Regulations 2006 insofar as such proceedings relate to the application and enforcement of a European Union trade mark in the United Kingdom.”

### ***Trade Mark Invalidity***

22. Section 47 TMA provides:

(1) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 3 or any of the provisions referred to in that section (absolute grounds for refusal of registration). Where the trade mark was registered in breach of subsection (1)(b), (c) or (d) of that section, it shall not be declared invalid if, in consequence of the use which has been made of it, it has after registration acquired a distinctive character in relation to the goods or services for which it is registered.

(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.

23. In this case, for the purposes of section 47(1) TMA, section 3(6) TMA (bad faith) is relevant:

### **3. Absolute grounds for refusal of registration**

...

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

24. The requirements of bad faith for the purposes of section 3(6) TMA were set out by Arnold J (as he then was) in *Red Bull GmbH v Sun Mark Ltd and Sea Air & Land Forwarding Ltd* [2012] EWHC 1929 (Ch) at [130] – [138]. To summarise:

- i) The relevant date for assessing whether an application to register a trade mark was made in bad faith is the application date, although later evidence is relevant if it casts light backwards on the position as at the application date;
- ii) A person is presumed to have acted in good faith unless the contrary is proved on the balance of probabilities. Cogent evidence is required due to the seriousness of the allegation: it is not enough to prove facts which are also consistent with good faith;
- iii) Bad faith includes not only dishonesty but also dealings which fall short of the standards of acceptable commercial behaviour observed by a reasonable person experienced in the particular area being examined;
- iv) The court must make an overall assessment when determining whether a party acted in bad faith, taking into account all the factors relevant to the case;
- v) The court must first ascertain what the applicant knew about the matters in question and then decide whether, in the light of that knowledge, the applicant's conduct is dishonest, or otherwise falls short of the standards of acceptable commercial behaviour, judged by the ordinary standards of honest people.
- vi) Consideration must be given to the applicant's intention at the time he files the application for registration. This is a subjective factor

which must be determined by reference to the objective circumstances of the particular case.

25. Invalidity is also challenged on section 47(2) / section 5 TMA grounds. Section 5 provides, so far as is relevant:

**5. Relative grounds for refusal of registration**

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

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

- a. It is identical with an earlier trade mark and is to be registered for goods or services similar to those for which the earlier trade mark is protected, or
- 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.

(3) A trade mark which –

- a. Is identical with or similar to an earlier trade mark...
- b. ...

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

...

(3A) Subsection (3) applies irrespective of whether the goods and services for which the trade mark is registered are identical with, similar to or not similar to those for which the earlier trade mark is protected.

(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...
- b. ...

***Passing-off in the context of invalidity (section 5(4)(a) TMA)***

26. The principles of passing off are well known. 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.
27. In the context of a section 5(4)(a) TMA invalidity action, the burden is on the party seeking to invalidate and the court is required to consider a normal and fair use of the mark concerned in respect of the goods or services for which it is registered, and determine whether this would result in passing off given the actual reputation of and goodwill in the opponent’s unregistered mark.
28. When considering goodwill, there must be “*at least a prima facie case that the opponent’s reputation extends to the goods comprised in the applicant’s specification of goods.*” (per *South Cone Inc. v Bessant (REEF)* [2002] EWCA Civ 763, [2003] RPC 5 at [27]) as at the relevant date.
29. The relevant date is the date of application of the mark concerned, or its earlier priority date if there is one, save that if the mark was already in use prior to that date then the relevant date is the time of the first actual or threatened act of passing off: i.e. the date of commencement of the conduct complained of (which in this case is the date on which the ICE Group began to offer the relevant goods to the public in the United Kingdom) and where the conduct has changed materially between that date and the later date when the application was made, the court must reassess whether the position would have been any different at that later date.

***Acquiescence***

30. The defendants in this case run an acquiescence defence under section 48 TMA which provides:
- (1) Where the proprietor of an earlier trade mark or other earlier right has acquiesced for a continuous period of five years in the use of a registered trade mark in the United Kingdom, being aware of that use, there shall cease to be any entitlement on the basis of that earlier trade mark or other right –
    - a. to apply for a declaration that the registration of the later trade mark is invalid, or
    - b. to oppose the use of the later trade mark in relation to the goods or services in relation to which it has been so used,unless the registration of the later trade mark was applied for in bad faith.
  - (2) Where subsection (1) applies, the proprietor of the later trade mark is not entitled to oppose the use of the earlier trade mark or, as the case may be, the explanation of the earlier right, notwithstanding that the earlier trade mark or right may no longer be invoked against his later trade mark.
31. At the time of trial there were several disputes between the parties about the proper interpretation of these statutory provisions. Following the handing down by the Court of Appeal on 30 November 2022 of its judgment in *Combe International LLC and Anor v Dr August Wolff GMBH & Co KG and Ors* [2022] EWCA Civ 1562 while this judgment was being prepared, the disputes have reduced in number but not disappeared. I permitted the parties to file additional written submissions addressing the effect of the Court of Appeal’s decision on this case. To the extent that Mr St. Ville, Kings Counsel took that as an opportunity to make new submissions on matters of fact which had not been raised at trial, in paragraphs 22 to 25 of his post-trial written submissions, I do not take those into account. Mr St. Ville also filed further written submissions responding to Ms Messenger’s written submissions on *Combe*. I did not permit or invite him to do so, and I have also put those to one side.
32. As the *Combe* judgment explains, Section 48(1) successively implemented into English law, at a time when the UK was a Member State of the European Union, Article 9(1) of First Council Directive 89/104/EEC of 21

December 1988, Article 9(1) of European Parliament and Council Directive 2009/95/EC of 22 October 2008 and Articles 9(1) and 18(1) of European Parliament and Council Directive 2015/2436 /EU of 16 December 2015. Accordingly, CJEU jurisprudence up to the exit of the UK from the EU is retained law and remains relevant to my consideration of s48 TMA. Anything after that date may be persuasive but is not binding.

33. There are two CJEU decisions of particular relevance relied on by both parties in this case and which were also addressed by the Court of Appeal in *Combe: Budejovicky Budvar np v Anheuser-Busch Inc* [2011] ECR I-08701 (which predates the exit of the UK from the EU) and *Heitec AG v Heitch Promotion GmbH* (C-466/20) [2022] ETMR 36 (which post-dates it, so is merely persuasive).
34. The CJEU in *Budvar* held that “*acquiescence*” within the meaning of Article 9(1) of the Directive 89/104 should be given an autonomous and uniform interpretation, and that the concept of acquiescence “*implies that the person who acquiesces remains inactive when faced with a situation which he would be in a position to oppose*” (at [44]). It held that there were four prerequisites for the running of the period of limitation prescribed in Article 9(1):
- i) registration of the later trade mark in the Member State concerned;
  - ii) the application for registration of that mark being made in good faith;
  - iii) use of the later mark by its proprietor in the Member State where it has been registered; and
  - iv) knowledge by the proprietor of the earlier trade mark that the later trade mark has been registered **and used after its registration** (my emphasis).
35. The Court in *Budvar* also held that the effect of “*any administrative or court action initiated by the proprietor*” within the prescribed period of five years is “*to interrupt the period of limitation in consequence of acquiescence*” (at [49]).

36. In *Heitec*, the court was concerned with whether a period of acquiescence can be ended by, inter alia, the sending of a letter before action. It held as follows:

[54] Where, as in the present case, the bringing of that action was preceded by the sending of a warning letter, with which the proprietor of the later mark did not comply, that warning letter may interrupt the period of limitation in consequence of acquiescence provided that, following the unsatisfactory response to that warning letter, the proprietor of the earlier mark or other earlier right continues to express its opposition to the use of the later mark and takes the measures available to it to enforce its rights.

[55] In contrast, if the proprietor of the earlier mark or other earlier right, having expressed its opposition to the use of the later mark by a warning letter, did not, after noting the refusal of the addressee of that letter to comply with it or to enter into negotiations, pursue its efforts within a reasonable period in order to remedy that situation, where appropriate by bringing an administrative or court action, it must be inferred that proprietor failed to take the measures available to it to put an end to the alleged infringement of its rights.

37. In *Combe*, Johnson J at first instance held that the bringing of a cancellation action of the later mark by the proprietor of the earlier mark was sufficient to stop time running as, inter alia, it was not a passive act. Even if he was wrong about that, he held, he was satisfied that the correspondence between the parties' German attorneys was a sufficiently overt objection to use of the later trade mark to stop the period of acquiescence.
38. The Court of Appeal did not agree. Arnold LJ (with whom Newey LJ and Simler LJ agreed) considered *Budvar* and *Heitec* (which it acknowledged did not bind it). Arnold LJ noted at [39] of *Combe*, without criticism or adverse comment, the four prerequisites for the running of a period of limitation from *Budvar* which I set out above. Arnold LJ also considered other binding authorities pre-dating the UK leaving the EU: Case C-145/05 *Levi Strauss & Co v Casucci SpA* [2006] ECR I-3703 and Case C-561/11 *Federation Cynologique Internationale v Federacion Canina Internacional de Perros de Pura Raza* [EU:C:2013:91] before reaching the following conclusions:

- i) The “*administrative or court action*” envisaged by the Court of Justice is one brought by the proprietor to oppose the *use* of the later mark and to remedy the *alleged infringement of its rights* (per [50] of *Heitec*, emphasis added by Arnold J at [45]. See also [54]);
  - ii) The bringing by the proprietor of the earlier trade mark of a cancellation action in respect of the later trade mark is not sufficient to preclude acquiescence by the proprietor of the earlier trade mark in the use of the later trade mark (at [57]);
  - iii) Merely sending a warning letter is not enough, but if the warning letter is followed within a reasonable period by administrative or court action or other action capable of leading to “*a legally binding solution*” (per *Heitec*) (such as invoking an arbitration clause, perhaps) then the sending of the warning letter will stop time running (at [47]);
  - iv) Acquiescence in the registration of a later trade mark which is not being used does not give rise to a defence under section 48(1) (at [59]).
39. In addressing the finding at first instance that the bringing of a cancellation action of the later mark by the proprietor of the earlier mark was sufficient to stop time running as it was not a passive act, Arnold LJ explained why he disagreed at [69], saying “*That is true so far as it goes, but what the CJEU was referring to in Budvar at [44] was a failure “to take measures open to him to remedy a situation of which he was aware”, namely the use of the later trade mark. As I have explained, that can only be remedied by an infringement action, not by a cancellation action. The same message is conveyed by the Court of Justice’s reference to the proprietor being inactive “when faced with a situation which he would be in a position to oppose” [per [49] of Heitec]. Arnold LJ described this as the difference between objecting to registration and objecting to use, and found as a matter of law that there was “a sharp distinction” between the two (at [73]).*”

*When does the 5 year period in section 48(1) start to run?*

40. This is the first dispute of law between the parties.
41. Mr St. Ville's primary post trial submission is that the Court of Appeal in *Combe* held that the relevant date from which to consider the question of acquiescence was the date of deemed registration, relying on [7], [13] and [103] of Arnold LJ's judgment.
42. I do not agree that it made that finding. [7] simply states that the later UK trade mark in that case, as a clone of the defendant's EU trade mark which came into existence automatically on 31 December 2020 as a consequence of Brexit, was deemed to have been registered as of the filing date of the defendant's EU trade mark. [13] merely gives the history of the defendant's application for and registration of its EU trade mark. Neither paragraph tells me anything about when time runs for the purposes of acquiescence. That is, no doubt, because this was not in issue on appeal in *Combe*. In *Combe*, the defendant did not trade in goods bearing the later mark into the UK until December 2013, which was after both the filing date (and deemed date of registration) and registration date of the relevant mark. However, it does not appear to have been disputed, and Johnson J found at [174] of the first instance judgment, that the period only begins to run when the four conditions set out in *Budvar* have been satisfied. His finding on this point was not an issue on appeal. The parties made slightly different submissions as to on what date "*all the elements necessary for the section 48 period*" were in place (at [177]) but the claimant accepted it had knowledge both of the existence of the later mark and of its use in the UK from January 2014 (at [178] of the judgment at first instance).
43. [103] of the judgment of Arnold LJ in *Combe* is not about acquiescence at all, but about a section 11(1) TMA defence. It notes that at first instance the defendant had only argued a section 11(1) defence as that section had been amended by the Trade Marks Regulations 2018 (SI 2018/825) with effect from 14 January 2019, and they sought also to argue it as originally enacted in relation to acts committed prior to 14 January 2019. In [105] Arnold LJ goes on to set out an acquiescence argument run by the claimant, arising from the defendant's submission that it had a defence

under the originally enacted section 11(1) TMA, namely “... *that it followed that Combe [the claimant] were not in a position to oppose use of the Wolff UKTM prior to 14 January 2019, and therefore their claim for infringement of the Combe Trade Marks could not be barred by acquiescence applying the reasoning in Budvar...*”, but he did not determine the point as he held it was not necessary to do so, given his conclusion that the defendant’s section 48(1) defence had failed.

44. The Defendants’ secondary post-trial submission is that paragraphs [57] – [67] of *Combe* support the Defendants’ position on construction of s48(1) TMA that it is not a pre-requisite for a period of acquiescence to begin to run that the proprietor of the earlier mark has *knowledge* of the registration of the later comparable mark (as opposed to there being, as a matter of fact, registration of the later comparable mark). Of course, this would have to follow from the Defendants’ primary submission that the date for acquiescence to start is the filing date as the deemed date of registration of the later mark, since, as Ms Messenger notes, the Defendant could have no knowledge of registration of the later comparable mark on the deemed date of registration, which is by definition earlier than the date the decision to register it was made and published. The Defendants’ primary submission only works, therefore, if there is a severing of the connection between the knowledge of the earlier owner of the use of the later mark, and his knowledge of the registration of the later mark. Accordingly, Mr St. Ville draws a distinction between the earlier mark owner’s knowledge of the use of the later mark, and its knowledge of the registration, relying on [65]- [67] of *Combe*.
45. Although the question of when acquiescence began was not in issue as I have stated, the Court of Appeal in *Combe*:
- i) noted that in *Budvar* the Court of Justice held that the concept of acquiescence implied “*a person who remains inactive when faced with a situation which he would be in a position to oppose*”;
  - ii) cited all four conditions from *Budvar* without adverse comment, including the fourth condition that there must be knowledge by the

proprietor of the earlier trade mark that the later trade mark has been registered and used after its registration;

- iii) applied those criteria in the matters that it did have to determine, including in the manner in which I will go on to explain, and so in my judgment approved them; and
- iv) made clear that *Budvar* remained binding law.

46. As Arnold LJ explains in *Combe* at [59]-[62], the defence is founded upon acquiescence **in use** of the later, registered, trade mark, not acquiescence in registration. That the acquiescence must be in respect of the use of the later, registered, trade mark, can be discerned from the two consequences he identifies as arising from that acquiescence in section 48(1)(a) and (b) TMA, and discusses at [60] and [61]. Those are that the proprietor of the earlier trade mark ceases to be entitled: (i) to apply for a declaration that the registration of the later trade mark is invalid; and (ii) to oppose the use of the later trade mark; unless the later mark was applied for in bad faith. Of course, the proprietor of the earlier trade mark does not begin to be entitled to apply for a declaration that the registration of the later trade mark is invalid until after the date of registration of the later trade mark, and is not in a position to do so until he is aware that the later trade mark has been registered.

47. Accordingly, I am satisfied that, as the Court of Justice stated in *Budvar* and as the Court of Appeal appears to have approved in *Combe*, time starts to run for the purposes of section 48(1) TMA once: (i) the later mark has been registered; (ii) the proprietor of the earlier trade mark knows that the later trade mark has been entered onto the register; and (iii) the proprietor of the earlier trade mark knows that the later registered trade mark has been used.

48. However, the wording of the statutory provision itself requires “*acquiescence... in the use of a registered trade mark in the United Kingdom, being aware of that use*” so I am satisfied that even without the assistance of *Budvar* and the helpful guidance of Arnold LJ in *Combe* it would be perverse to construe it in the manner that Mr St. Ville asks me

to construe it, so that it can encompass ‘acquiescence in the use of a mark which is then, or later but within the statutory period, registered in the United Kingdom’. The natural meaning of the words is exactly what it says, that the earlier owner must acquiesce in the use of the registered trade mark, being aware of that use, for the statutory period before the defence can succeed. That requires: (i) use of a registered trade mark after registration; and (ii) the earlier owner to know both of the registration of the trade mark and the use of it after registration. That is the conclusion that *Budvar* comes to, and *Combe* does not undermine, and indeed supports in my judgement, as I have set out.

49. Mr St. Ville for the Defendant submits that paras [65]-[67] of *Combe* do undermine *Budvar* because they are inconsistent with the fourth prerequisite in *Budvar*, and are consistent with the Defendants’ arguments advanced at trial.
50. Again, I do not agree. In these paragraphs, Arnold LJ goes on to discuss, secondarily, “*the broader purpose of the legislation as explained by the CJEU*” and highlights three aspects, which he says are inter-related: (i) the intention of striking “*a balance between the interest of the proprietor of a trade mark to safeguard its essential function, on the one hand, and the interests of other economic operators in having signs capable of denoting their goods and services on the other*” ([65]); (ii) to “*limit protection to those cases where the proprietor [of the earlier mark] shows itself to be sufficiently vigilant by opposing use of the signs by other operators likely to infringe its mark*” ([66]); and (iii) the need for legal certainty, to prevent rights being enforced if the rights holder does not take action for five years, to forestall stale claims but also to incentivise the earlier trade mark to prevent long use of a conflicting sign which may affect the average consumer’s perception of the earlier trade mark, which has potential consequences not only for the proprietors of the respective trade marks, but also the consuming public. In doing so, he is explaining and expanding the reasoning at [47]-[50] of *Heitec* (and distinguishing it to some extent, see the discussion about ‘continuous’ use from [76] of *Combe* which is not relevant for the purposes of this case). This discussion and that in *Heitec* are both, in my view, made in the context of the later trade mark being a

registered trade mark. See the references in *Heitec* at [48] and [50] to the later mark being applied for in good faith, and Arnold LJ in *Combe* discussing an action for a declaration of invalidity being insufficient to oppose the use of the later trade mark at [62] and elsewhere, arguments to which he expresses [65]-[67] to be secondary.

*Do invalidity proceedings bring acquiescence in the use of a mark to an end?*

51. The second dispute of law between the parties has, it seems, been resolved by the Court of Appeal in *Combe*. This was a key plank of C's submissions in closing, but C now accepts that: (i) invalidity proceedings in and of themselves are insufficient to bring a period of acquiescence to an end, as Arnold LJ explains at [57] – [72] and as summarised above; and (ii) the Court of Appeal held that the principles from *Heitec* (also as summarised above) should be applied to cases before the UK Courts.

## WITNESSES

52. As is usual in IPEC, the statements of case stand as evidence. I heard from the following witnesses for C at trial:
- i) **Darren Marston**, C's Executive Chairman. He speaks to the factual evidence in the Particulars of Claim dated 21 September 2021 and C's Reply and Defence to Counterclaim of 15 December 2021 (as amended on 26 May 2022 and re-amended on 7 October 2022) as a signatory of those documents. He attended court and was cross-examined. He was a good clear witness, a man of few words, who appeared to be both credible and reliable.
  - ii) **Mark Bresnihan**, C's Managing Director since 2008 and previously C's National Sales Manager since 1997. He also signed and speaks to the Particulars of Claim and C's Reply and Defence to Counterclaim. He has provided further evidence in two witness statements dated 22 July 2022 and 7 October 2022. He attended court and was cross-examined. I thought he was also a good witness. He was candid about what he could remember and what he could not, although I thought his recollection was generally good. He

answered questions honestly and to the best of his ability, in my assessment.

- iii) **Sean Edwards**, C's UK Sales Director (since June 2022) and previously Business Development Manager and then Managing Director of Corporate Accounts from 2017 to 2008. Before that, from 1997, he was the owner of a distributor of cleaning machines and consumables called Cleaning Equipment Services Limited ("CES") which was bought by C at the end of 2016, and he gives evidence of his awareness of and involvement with C, D1 and distributors of D1's products in the UK while employed first at CES and later at C. He filed a witness statement dated 22 July 2022. Mr Edwards came to court to give evidence but was not questioned by the Defendants. Accordingly his evidence is unchallenged.

53. The Defendants rely on the evidence of:

- i) **Michael Pang**, founder of the ICE Group of companies and Vice-President of Production of ICE Group since 2018. Previously he was the Vice-President for Export. He speaks to the factual evidence in the Defendants' Amended Defence and Counterclaim of 18 November 2021 and the Defendants' Response to C's Part 18 Request dated 5 May 2022, although he did not sign them for the Defendants. Those were signed by Mr Simon Chen, CEO for D1 and Mr Schless for D2. He also provided a witness statement. Mr Pang attended court and was cross-examined. I am satisfied that he gave honest evidence to the best of his ability but much of what I am concerned with he had no direct involvement with. It became apparent that Mr Pang did not know very much about what was happening in the UK with the ICE Group's distributors at the relevant time. He was also not at key meetings. It may have been more helpful to have heard from Mr Chen, but I am grateful to Mr Pang for travelling to the UK and providing the evidence that he did.
- ii) **Alexander Schless**, head of the EMEA Division of ICE Group, director of D2, and CEO of ICE Robotics EMEA BV, another ICE Group company. He joined the ICE Group in October 2019. He filed

two witness statements. He attended court and was cross-examined. I thought he was another straightforward witness who sought to give truthful evidence to the best of his ability. I do not think that his recollection of the Las Vegas trip was entirely reliable, but I do not have any concerns about his honesty.

- iii) **Tibor Killi**, Director of D3 and Managing Director of Killis. He signed the Defendants' pleadings on behalf of D3 and Killis. He filed two witness statements. He attended court and was cross-examined and re-examined. Mr Killi was a lay witness, but I found his witness statements to contain rather a large amount of opinion evidence such that an expert might give, commentary on documents or other witness statements, and material which amounted to advocacy. I have sought to put that to one side and focus on his evidence of fact. In giving oral evidence, he was a good witness, straightforward, credible and reliable.

## THE FACTS

### *The Claimant and its current position in the marketplace*

54. C was founded in 1967 and has been selling and renting commercial cleaning equipment in the UK under the brand name ICE and various iterations of a logo consisting of or including the word ICE since its inception. C says that it has offered its goods and services through its website at [www.ice-clean.com](http://www.ice-clean.com) ("C's website") since April 2000. I accept this on the balance of probabilities: I have seen evidence that this domain was registered on 6 April 2000 and a screenshot from the wayback machine showing use by C of the domain for e-commerce purposes on 4 April 2001. The previous date available on the machine is March 2000, before the inception of the domain.
55. C pleads that it believes it is currently the largest independent provider of cleaning equipment in the UK, and Mr Killi (witness for D3 and Killis) accepted as much in cross-examination. C has provided annual turnover figures for the last 15 years showing that it had a turnover of over £4.1m in 2007, £11.8m in 2018 and of £17.7m in 2020. In fact, as Mr Bresnihan

states in his witness statement, this does not include turnover attributable to C's machine rentals business, which was accounted for in a different group company, Simplify Rental Ltd, for some years. He estimated that part of the business turned over another £2m in 2013.

56. C says that it has extensively marketed and advertised its goods and services under and/or by reference to the brand name ICE and different logos incorporating the word ICE, including C's ICE Logo since 2007. It has provided documentary evidence of its marketing and advertising over the years, including photographs of attendance at trade shows in which it has taken promotional stands, and also provided figures showing that its marketing spend has risen fairly steadily in that time from £74,107 in 2007 to £152,687 in 2020. I will set out further details of this evidence below, but I accept it.

*Development of C's business and use of the ICE brand*

57. Mr Bresnihan provides useful evidence of the development of C's business and C's use of the brand name ICE and various logos since he started working for the company in 1997.
58. It is convenient to note here his description of the different parts of C's business and categories of C's customers.
59. As C's business currently stands, he describes it as involving 5 different business streams:
- i) Rental: short and long term equipment rental;
  - ii) Managed services: service, maintenance and repair of customer equipment, which may have been purchased or rented from C, or from a third party;
  - iii) ICE Direct: trade business;
  - iv) Solutions: sales of a range of own-branded machines;
  - v) Co-Botics: a range of robotic cleaning equipment branded ICE CO-BOTICS.

60. He describes C's customers as falling into three broad categories:
- i) Direct customers, who rent or purchase equipment from C for their own use (e.g. Amazon, Marks & Spencer);
  - ii) Re-sellers, who are distributors which sell C's products;
  - iii) Service providers, who are facilities management companies and contract cleaning companies with contracts to provide cleaning and FM services to other companies (e.g. Mitie, OCS). These businesses buy or rent equipment from C and the end users of the machines are the operatives employed by the service provider.
61. In more recent years, with the introduction of C's Dryver and On Demand series of own-brand machines, he says that customers have expanded to include consumers. I accept this evidence, and the further evidence of Mr Bresnihan summarised here:
- i) When he first joined C in 1997, he knew it as I.C.E. (pronounced "I-C-E" with the initials spelt out loud rather than as the word "ICE") although it was transitioning to the use of the word "ICE" internally and with its customers at around this time. C was at that time carrying out distribution, sales and rental of commercial cleaning equipment in a fairly limited geographical area in and around Southampton and Hampshire.
  - ii) At that time it was using a red and black circular ICE logo ("C's Initial ICE Logo"). The first significant brand change was in 2003, when C rebranded to a dark blue circular ICE logo heavily based on the Initial Ice Logo ("C's 2003 ICE Logo"), to modernise the look:



C's Initial Ice Logo



C's 2003 Ice Logo

- iii) The second significant brand change was in 2007, when C instructed a marketing agency named Trigger Media to do a full rebranding. Trigger Media designed an entirely new ICE logo (“C’s ICE Logo”), which has been used ever since. C moved away from using its full company name of Industrial Cleaning Equipment or “I.C.E’ for short, and the marketing and sales teams began consistently referring to C as ‘ICE’. He says that this caused a definite shift in C’s customers calling C ‘ICE’. This marketing shift can be seen in, for example, an article in C&M Magazine in November 2012 showcasing Mr Bresnihan, who is described in the headline as “*managing director of ICE*”. The half-page photograph of Mr Bresnihan is set against the backdrop of C’s ICE Logo.
- iv) After 2007, he says that C was still operating with a focus on the same limited geographical area centred around Southampton, although I have seen a list of C’s vehicles from 2008 showing their base locations stretching from Scotland, Leeds, Liverpool, Sheffield and Birmingham down to Stevenage, Dorchester, Crawley and Dartford in the South, albeit the majority were based in Southampton. I accept there was a regional focus, but I am satisfied there was a national presence. However, he says, that regional focus changed to a national focus from about 2009/2010 and certainly by 2013, as C began to win national contracts.
- v) In November 2009, C won a contract with the facilities manager Mitie (Retail) Ltd to put machines in every one of the 3000 Co-operative Stores nationwide, and it won other national contracts for machines including with Waitrose/John Lewis. I have seen a case study of the Co-op deal dated November 2011, in which Simon

Morton, Operations Director of Mitie (Retail) Ltd, describes C in 2010 as becoming Mitie's sole supplier of cleaning machinery, and describing the Co-op deal with C as "*the largest ever single machinery order placed by MITIE for the Co-operative Group stores*". Mr Morton also goes on to describe using C from 2010 to supply machinery into large-format Tesco stores in the South East and South West as well as all Tesco-express stores nationally.

- vi) C later won servicing contracts to service cleaning machines of all makes and origin with Fitness First, Regent Office Care, Toys R Us, and Jani King who cleaned nationally for Odeon and Hollywood Bowl.
- vii) Mr Bresnihan drew a distinction between the sorts of distributors of third party machines which just shipped in boxes for onward sale to customers, and the business of C which was much more around provision of advice to customers about the best machine for a particular job, selling or renting those machines, and providing servicing, spares and maintenance services for those machines. He said that C was successful in developing relationships of trust with customers such that they would take their advice on which machines to buy to meet their needs. I accept that distinction which is clear from a number of documents in the bundle, including the Co-op case study previously referred to.
- viii) By 2013, C: had 60 employees, a satellite building in Warrington as well as a workshop refurbishment centre in Eastleigh, Hants; was attending national and international trade shows; had vans driving around the country with C's ICE Logo on it; was advertising in national publications; and had a fully functioning website. I have seen photographs of the vans in the livery of C including C's ICE Sign and C's ICE Logo, presence at the trade shows on stands branded with C's ICE Logo, and advertisements in national publications.
- ix) From the earliest stages of the business up to 2013, C sold and rented third party machines from well-known brands, which it

bought in and overstickered with the ICE brand. I have seen photographs of examples of this going right back to the 1980s. In 2012 it developed a partnership with a manufacturer called Lindhaus, and developed a range of jointly-branded machines showing the Lindhaus logo, the words “distributed by” and then C’s ICE Logo in black and white.

- x) In 2013 a strategic decision was taken by C to further develop and promote the ICE brand. Accordingly, in 2013 C began speaking to an Italian manufacturer TMB S.r.l (within the Comac group of companies) about manufacturing private label, ICE-branded cleaning machines (“**ICE Machines**”).
- xi) The first such machines were designed in 2013 using the “**DRYVER**” sub-brand, in a pale grey and red colourway (“**DRYVER machines**”). I can see from the photographs in evidence that it was proposed in a quotation from TMB dated 1 April 2014 that each machine would be prominently branded with C’s ICE Logo in red, however, the information sticker giving details of the serial codes, model number etc show the manufacturer TMB’s name, address and logo. The Defendants submit that there is no evidence before me of the physical appearance and branding of the machines actually delivered to C, but I accept Mr Bresnihan’s evidence in cross-examination that the DRYVER machines as delivered were branded with C’s ICE Logo in red. Mr Bresnihan was unshaken in cross-examination that this was the first example of own-product branding that C had undertaken.
- xii) C says it placed its first order of DRYVER machines in March 2014, offered them to the public from at least June 2014 and sold them from July 2014 to 2017. I accept that evidence. It says that it delivered its first such machines to a customer (Sainsburys) in July 2014, and I am satisfied that, as Mr Bresnihan accepted in cross-examination, no DRYVER machines came into the UK before July 2014. Over the next 3 years the evidence suggests that C sold almost

1700 units, despite, as Mr Bresnihan accepts, the DRYVER machines not being promoted on C's website.

- xiii) It was put to Mr Bresnihan in cross-examination that no-one would have known about the DRYVER machines in the market except those of C's customers who bought them, which he initially agreed to. However, in answer to a question from the Court about whether C had ever shown them to customers who decided not to buy them, Mr Bresnihan said that C must have shown them to its "*key customer demographic*" to have sold them in some quantity as it did. I accept that evidence.
- xiv) From 2016, C took the decision to consolidate the look and feel of the branding of the ICE Machines and make the range more cohesive with how they were using the ICE brand elsewhere in the business. They changed manufacturer, and over the next years developed a range of machines which were cohesive in style, manufactured in a silver and black colourway, with C's ICE Logo in blue prominent on each ("**On Demand Machines**"). The earliest photograph of these being presented to the public which has been put before me is, I think, one of January 2017 showing the C's ICE Robo 2 or ICE Robo 3, according to Mr Bresnihan, with text talking about "*our brand new ICE branded machines*". I have also seen photographs of C's stand at the Cleaning Show in March 2017 showing the new On Demand Machines.
- xv) Mr Bresnihan described this development as "*absolutely fundamental to our brand now*" and agreed in cross-examination that it was a "*sea-change*" for C and "*completely different*" from the DRYVER machines. The range eventually extended from floor-scrubbing machines to vacuum cleaners to carpet cleaners to floor rotary machines to external sweepers to escalator cleaners and beyond. He said, "*we were probably the first retailer in this space to move into labelling our own products (augmenting the significant goodwill that we already had from our servicing and sales of 'co-branded' products), which made us quite unique.*" It was put to Mr

Bresnihan that “*In so far as anyone is now confused between square ICE logo products and ICE Group products, that is because of that change, is it not?*” to which he replied, “*The confusion comes from them being very similar*” and used in relation to floor cleaning machines.

- xvi) Since 2014, C has sold and rented its ICE Machines alongside third party machines, but the proportion of the business attributable to its ICE Machines has increased over time. In 2020 he said that the majority of the business was attributable to its ICE Machines. As at the trial date, Mr Bresnihan estimated that approximately 90% of its sales, rental and maintenance business is related to C’s ICE Machines, and 80-90% of its customer base falls into the service provider category.
62. Mr Edwards was employed by CES in 2014 when discussions started with C which eventually led to C’s purchase of CES at the end of 2016. He said in 2014 there was “*no doubt in my mind that [C was] operating on a national scale*” – they had big retail customers like Morrisons and shopping centres and were quite active placing machines in the retail market. He says that by then, CES was not big enough to compete with C or manage the big service contracts C had.
63. Mr Killi accepts in his witness evidence that from 2013 C was servicing potential customers across England, but says that it did not have a significant nationwide presence, and draws a comparison with the market awareness of Karcher, a large manufacturer of consumer and professional cleaning equipment. The fact that a large global cleaning equipment manufacturer that advertises its consumer products on daytime television has a high recognition amongst potential customers really has nothing to do with whether or not C had a national operation at the time. It is a *non sequitur*. In oral evidence he accepted that for at least the last five to ten years C has been one of the largest independent distributors in the UK along with Killis, and that it was a major supplier with a turnover of over £9,000,000 in 2010.

64. I am satisfied that C did have a significant nationwide presence and was servicing customers all across the country from at least 2013.

*The Ice Group business and branding*

65. Mr Pang joined the ICE Group (then called *International* Cleaning Equipment, not *Intelligent* Cleaning Equipment), in 2010. ICE Group had been founded by Mr Simon Chen, with whom Mr Pang had worked at Mr Chen's previous venture, Viper Group. Viper Group had been purchased in 2007 by Nilfisk-Advance, a Danish cleaning equipment company. Mr Pang is based in Dongguan City, Guangdong, China where the ICE Group's production facility is located.
66. Mr Pang's evidence is that the logo which was later registered as D1's ICE Logo was designed for the ICE Group in December 2010, by Robert Russell, a graphic designer based in Michigan, USA. The ICE Group designed and manufactured its own products, and production and sales first began in 2012. Mr Pang says that this logo has been used continuously by the ICE Group on its products, packaging material, promotional materials, product documentation and advertising materials over the years until today. There are multiple examples of the use of this logo in the trial bundle, the earliest of which appears to be on an operator manual for a model 120B/120BT cleaner from January 2012.
67. Mr Pang says that he was responsible for exports to Europe, including the UK, up to and including 2019. He says sales to the UK for that period were made directly from Guangdong or from Hong Kong. In 2013 he was introduced to John Elmore who ran Worldwide Cleaning Services ("WCS"), and Mr Elmore subsequently visited ICE Group in China. ICE Group appointed WCS as exclusive distributor of the ICE Group products in the UK for the period from 1 June 2013 to 31 December 2014, and I have seen a letter notifying WCS of this dated 4 September 2013. WCS continued as an exclusive distributor after 31 December 2014, and I have seen another letter of appointment dated 7 April 2016 continuing this appointment until 31 December 2017. Although there is a break in the documentation I accept the Defendants' evidence that WCS was the

exclusive UK distributor of ICE Group products from 1 June 2013 to 30 December 2017.

68. Mr Pang describes the process which the ICE Group undertook to protect D1's ICE word mark and logo as a trade mark in different jurisdictions of the world, including by filing International Registrations under the Madrid Protocol on 18 June 2015 (based on their two US trade mark registrations which had been filed on 5 March 2014 and registered on 7 April 2015), which were registered on 18 June 2015. It is these EU registrations which were later designated as comparable marks in the UK.
69. Mr Pang's written evidence is that when the ICE Group applied for trade mark protection they had no idea that C was using ICE as an abbreviation of its company name, and they were not aware of C's ICE Logo. He says that the ICE Group had very little knowledge of the UK market at the time, and he was not alerted to the fact that C used C's ICE Sign or C's ICE Logo, or C's Marks until C sent the Ice Group a cease and desist letter on 2 July 2019.
70. However, I am satisfied that Mr Pang's evidence on this point is not accurate, and he accepted this in cross-examination. I have seen an email from Mr Elmore of WCS to Mr Pang of October 2014, when Mr Elmore tells him that there is a "*company called I.C.E. already established in the UK market*" and that he has "*overcome the legals on this matter*" by "*marketing the brand as International Cleaning Equipment in the UK*". Accordingly I am satisfied that Mr Pang did know from October 2014 that C was established in the UK market and abbreviating its company name to ICE, or I.C.E, and that his UK distributor had identified this as a legal issue which led him to market the ICE Group's brand under the full brand name, which was then *International Cleaning Equipment*. I also note that a few months earlier, in July 2014, Mr Marston of C had emailed Mr Chen of the ICE Group (and Mr Pang accepted in cross-examination that he was copied into, and saw, that email) in which Mr Marston drew attention to the similarity in their company names and their identical abbreviation. I will come back to that email.

*The Ice Group's UK sales 2013-2019 – WCS as UK distributor*

71. Mr Pang says that from 2013 until 2019, WCS made regular purchases of ICE Group products and ICE Group invoiced WCS sums ranging from under US\$32,000 in 2013 to almost US\$248,000 in 2016, down to US\$167,000 in 2018 and just US\$792 in 2019. These products were all purchased ex-works by WCS.
72. Mr Bresnihan describes WCS as “*a very small player*”, “*essentially a website*”, “*a minnow*” and “*a simple webshop type business operating on a drop shipping type of model with little or no stock in the UK... they were certainly not a competitor or anything we had to be concerned about*”. Mr Bresnihan said that between 2014 and 2018 C was experiencing the most significant growth period in its history, and “[WCS] *just wasn’t significant enough to pay any attention to*”.
73. Mr Edwards’ unchallenged evidence supports this: he says that in around September 2014 (shortly before he placed an order with WCS for D1’s machines from his previous employment at CES) WCS was operating as a web shop/to order with really limited supplies in the UK, and that he did not view them as a competitor even to CES. I remind myself he characterised C as so much larger than CES at this point that CES could not really compete with them. Mr Killi in his second witness statement takes objection to the characterisation of WCS as a minnow, saying that WCS, although small, was a privately owned local company which had a presence that was felt in the market, and it and John Elmore, its CEO, were known to Killis, in the trade in which, he says, “*everyone knows everyone*”. I accept that as a fair description of the company, whether it was considered by others as a minnow or not is not really the issue. It was small and operated locally.
74. Mr Bresnihan says that the information that he has now seen about the number of ICE Group’s machines that WCS sold in the UK between 2013 and 2018 (being a total of 1,456 units) was about what C was selling in a month. Mr Edwards can identify a fair number of those sales as being to him at CES, and says he was one of only a few customers for the ICE Group’s products in the UK at the time. Mr Killi says that Killis was

another, buying ICE Group equipment from 2014 until it became the exclusive distributor in March 2019.

75. Mr Pang says that WCS with ICE Group exhibited at large international trade shows in Amsterdam and China, of which I have seen evidence, and that WCS had informed ICE Group that it was also exhibiting ICE Group products at some of the main industry trade shows in the UK. I do not have evidence of the latter and it does not appear to be in Mr Pang's personal knowledge, so I cannot accept this. I do accept that UK-based trade professionals and large customers attended Interclean Amsterdam, and I have seen photographs of the ICE Group's stand there in 2014, 2015, 2016 and 2018.

*C's awareness of ICE Group selling into the UK*

76. Mr Edwards' unchallenged evidence is that he first became aware of the ICE Group on attending the Amsterdam cleaning show for CES in May 2014, where the ICE Group had a stand and was showing equipment. He said he spoke to people on the ICE Group's stand and took its brochures away. He said that he later struggled to find, but did find, the ICE Group website by searching for "*International Cleaning Equipment*". However, Mr Edwards says that his impression was that it was not a UK website, and he did not think that any of its machines were available for sale in the UK. Nor did he believe that the ICE Group was, or was connected with, C as he knew it was a manufacturer from Asia.
77. Mr Edwards says that his colleague at CES followed up with Mr Chen at the ICE Group, who put them in touch with WCS as their UK distributor. He said he knew of WCS, but thought of it as a parts supplier rather than a machine supplier at the time, with a very poor website. Of course, at this time Mr Edwards had no connection with C and was working at CES (eventually bought by C in December 2016), so his knowledge cannot be attributed to C.
78. Mr Bresnihan's first memory of hearing about D1 selling machines in the UK was that in July 2014 he and Mr Marston tried to arrange a meeting

with Simon Chen in China, the purpose of which, he thought, was to explore business opportunities with the ICE Group.

79. Mr Marston sent Mr Chen an email asking for a meeting on 21 July 2014. In it, he opened by noting that they had met briefly in the past, and then saying, *“You will also note the similarity in our company names, the abbreviation of which is of course the same”*. He described C as being in business for 50 years but seeing dramatic growth in the previous decade and that it *“now occup[ies] a prominent position in the UK with significant market share in large contractor sector particular [sic] serving the retail arena”*. He says that C has *“known of your success particularly with your previous company and observe with interest your latest venture and Asian manufacturing generally. It may be that there are some strategic opportunities for us to pursue particularly bearing in mind the coincidence of the name and brand”*. He asks if it would be possible to meet in China.
80. Mr Bresnihan was shown this email in cross-examination and said he knew that the ICE Group was selling products bearing D1’s ICE Logo in the UK when the email was sent. He does not think that he did meet Mr Chen in 2014, and if he did, it was not in China, as he has still never been to China. Mr Pang agrees that Mr Marston did not make it to China for a meeting and I accept that the proposed China trip in 2014 never happened.
81. I find on the balance of probabilities that he did not meet Mr Chen in or around 2014, as I am satisfied neither he nor Mr Marston went to China at that time, and it is not the Defendants’ case that he or anyone else from C met Mr Chen around that time.
82. Although Mr Bresnihan says he did know that the ICE Group was selling products into the UK under D1’s ICE Logo, contemporaneous documents appear to show that he did not seem too concerned about it, in my judgment. I can see that there is a bit of talk on C’s internal emails about the optimum timing for a trip, and consideration of going to China at the end of November 2014. On 1 September 2014, Mr Bresnihan suggests that he doesn’t need to go on the trip and Mr Marston should go with another colleague. In these internal emails to and fro, there is no mention of

concern about the ICE Group's use of the ICE brand. That may be because, as Mr Elmore reported to Mr Pang, he was marketing the ICE Group Products by reference to the full name International Cleaning Equipment. In any event, the meeting seems to be about possible future business opportunities. For example, Mr Marston says on 2 September 2014 that Mr Chen's "*interest in the international market and knowledge of the culture will be invaluable*".

83. This fits with Mr Pang's evidence. He says that he did not understand from the email that Mr Marston sent to Mr Chen in July 2014 that C was raising any concern about the use of D1's ICE marks: quite the contrary, he said, he saw Mr Marston as seeking to introduce C and pitching for an opportunity for the parties to work together. He says that although Mr Marston referred to the fact that C used the abbreviation ICE, "*I do not recall if we paid any attention to those comments at the time but certainly it never occurred to us that there would be any conflict in the market in the UK between the branding of our products and a local distributor that uses ICE as an abbreviation of its company name*". Although I accept that might have been the case then, I am satisfied by the time Mr Elmore of WCS emailed Mr Pang in October 2014 and mentioned that C was established in the UK market and using the abbreviation I.C.E, such that WCS was marketing the ICE Group products under its then full name of International Cleaning Products, he was fully aware that there was a potential conflict in the market with C.
84. Mr Bresnihan says that he does remember meeting Simon Chen, but this was at a short meeting at the PULIRE trade show in Verona in May 2015. In oral evidence he was fairly sure that he did know by that time that the ICE Group was selling into the UK using WCS as distributors. However, Mr Bresnihan said that he does not think he had any awareness at this time that they were putting D1's ICE logo on the machines, or what they were calling them, and this contradicts his earlier evidence that he knew they were doing so in at the time of the July 2014 email. He says that in his short meeting with Simon Chen he is sure that they never talked about branding or about them using their ICE brand in the UK. He describes himself as "*relatively naïve about branding*" back then.

85. Mr Pang's evidence, which he says arises from enquiries he made of Simon Chen in the course of preparing his witness statement, is that the parties did not meet at the PULIRE exhibition in Verona. I am satisfied on the balance of probabilities that they did as I prefer the evidence of C's witnesses on this point, but the fact that Mr Chen is reported not to have remembered this meeting supports, in my judgment, Mr Bresnihan's evidence that there was no discussion of trade marks or branding. I am satisfied that it is more likely than not if there was discussion about D1's use of the ICE brand in the UK, Mr Chen would have remembered this meeting.

*WCS sales of ICE Group Products in the UK 2013 - 2019*

86. Mr Edwards' unchallenged evidence as a purchaser of ICE Group products while at CES, is that he did not think that any of the ICE Group's spare parts sold in the UK were ever branded as ICE, save perhaps paper vacuum bags, but the ICE Group's machines all came with an ICE round sticker on them which CES would remove and replace with a CES sticker before sending them out. He said that he bought the ICE Group's products for customers who had previously had Tennant machines, as they looked very similar, and his customers were familiar with them. He says that part of the reason why he removed D1's ICE branding was because CES didn't really want to let on to their customers that they were no longer supplying Tennant machines. For the same reason, he said, when invoicing customers CES would generally call D1's machines "WCS" machines. He said that he also wanted to make sure that people were coming to CES for parts rather than to try and source parts themselves through WCS or the ICE Group directly.

87. Mr Killi, who says that Killis bought ICE Group products from WCS from 2014, remembers that some of the large ICE Group scrubber dryers were promoted by WCS with reference to the WCS brand name, and not ICE Group, but does not remember this being the case for any of the smaller machines which were advertised as ICE. He says that all of the ICE Group machines bought by Killis from WCS came branded with D1's ICE Logo.

88. At the end of 2016 C bought CES.

89. C's parts department started buying the ICE Group's parts from WCS in around 2017 in order to fix ICE Group machines which C had become responsible for, pursuant to various customer service and maintenance contracts. For example, Mr Edwards' evidence is very clear that CES sold ICE Group machines to Grosvenor (who was a serviced provider with contracts to clean large shopping centres such as Westfield White City) and independently of C's acquisition of CES, C won the service and maintenance contract from Grosvenor which meant they were contractually obliged to maintain and repair those machines. Also in 2017, Mr Edwards says, the CES business (now owned by C but run quite independently of C for several years after the acquisition) stopped buying ICE Group machines, although continued to buy parts as it continued to service them for customers.
90. Mr Bresnihan was taken in cross-examination to various emails both to and from him and his team members in 2017 which he accepted showed him discussing ICE Group products with a battery supplier called Battery Services in March 2017 and his team member Lee Owen dealing with ICE Group Products in April 2017.
91. The Defendants rely on promotion of the ICE Group products in articles in the industry press, but of the press cuttings relied on, only two are from the UK. The first is an article in Handling & Storage Solutions Magazine in March 2015. This refers to "*The new ICE (Intelligent Cleaning Equipment) SMART line range of scrubber-driers from Worldwide Cleaning Support*" and is illustrated by a picture of a ride on scrubber drier on which D1's ICE Logo is prominently displayed. This is the only UK press article before the Court which dates from the time that WCS was distributor. The second is an article in cleaning-matters.co.uk of 14 May 2019 (which Mr Bresnihan describes as one of the industry's main publications) called "*Killis – The rise of the machine*". This refers to Killis as bringing "*new, ground-breaking products to the market*" including "*the new range of ICE machines*". There is a description of ICE and its products over two columns headed "*ICE – INTELLIGENT NOT INDUSTRIAL*", illustrated with two photographs of ICE Group machines in which D1's

ICE Logo can be seen on the front and side of each machine. I will come back to that article.

*The Ice Group's UK sales – Killis as UK distributor*

92. Mr Pang says that it was Mr Schless who introduced the ICE Group to Mr Killi of D3 and Killis, and on 1 March 2019 Mr Pang appointed D3 as exclusive distributor of ICE Group products in England, Wales, Scotland and Northern Ireland.
93. Mr Schless was not working for the ICE Group at the time the introduction was made. He joined in October 2019 as head of the ICE Robotics EMEA division, becoming a board member and managing director on 29 May 2020. However he says that he had started becoming involved in the ICE Group business in early 2019, and knew Mr Killi and his companies from his previous work for various cleaning machine and vehicle manufacturers in Germany and the Netherlands. I will return to ICE Robotics.
94. Mr Bresnihan's evidence is that Killis 'launched' a wide range of ICE Group machines at The Cleaning Show in the UK in March 2019, each of which prominently displayed D1's ICE Logo. Mr Killi agrees that it did, and notes that consumer reaction to this branding raised concerns with some of the attendees, stating in his second witness statement:

"However, seeing that some customers associated the "ICE" branding with the products sold by the Claimant under its own ICE brand and wishing to avoid any such association with the Claimant's products, I was inclined to reduce the emphasis on the "ICE" branding on the machines. Around April or May 2019 I asked Michael Pang if the ICE Group could supply us with machines not displaying the "ICE" logo. In response to my request, a number of machines (specifically 125 units) were sent to us from the ICE Group in China, between 10 September 2019 and 15 October 2019, with much of the ICE branding (although not all of it) removed from the machines or replaced with the words "*Intelligent Cleaning Equipment*". During the same period, we also continued to place orders with ICE Benelux (which was able to deliver products a lot more quickly) and those products were delivered to us as fully branded with the "ICE" Roundel Logo

and name. never tampered with this branding (except perhaps adding a sticker with the Killis details).”

95. Mr Bresnihan was then, in April 2019, forwarded a Linked-in post from Killis saying that it had set up a special profile for “*ICE (the Intelligent one with the enviable, good reputation around the world for great service and product quality)*” and in May 2019 he saw the article in *Cleaning Matters* to which I have already referred, in which Killis said it was launching a partnership with “*ICE (Intelligent Cleaning Equipment)... Intelligent not Industrial*”. The language appears to have caused discontent within C. Mr Bresnihan’s evidence is the language signalled to him that the ICE Group intended to take on the UK market offering a wide range of machines under D1’s ICE Logo, through a more established distributor in the UK than WCS. He obtained legal advice and sent a cease and desist letter to Killis in July 2019. C brought invalidation proceedings at EUIPO in relation to D1’s European trade mark registrations on 12 November 2019.

*ICE Robotics, Whiz and Softbank*

96. Mr Schless says that his main mission when he joined the ICE Group in October 2019 was to develop the ICE Robotics business in Europe, and develop the market for the ICE Group’s intelligent cleaning equipment with autonomous capabilities as well as smart, data-driven maintenance. He says that would impact the business model by shifting strongly to a rentals and service model where the supplier has full control over the maintenance and asset management. To that extent, therefore, it could be seen as moving the ICE Group closer to C’s original business model of rentals and service, at the same time as C had moved more towards being a supplier of own-brand equipment.
97. At that point, at the end of 2019, ICE Robotics was operating as a business division of ICE Robotics LLC, a US entity, and utilising a domain ‘*icerobo.com*’ registered on 19 July 2019, but in May 2020 the ICE Group incorporated ICE Robotics EMEA B.V in the Netherlands as a business unit to take responsibility for sales to the Europe, Middle East and Africa region. This is the company led by Mr Schless.

98. Mr Schless says that much of his initial work with the ICE Group was in the context of ICE Robotics' relationship with Softbank Robotics EMEA, the robotics development business of Softbank, a Japanese technology investor, where they were collaborating in the development and design of an autonomous cleaning product line called "Whiz".
99. Mr Bresnihan's evidence is that Softbank had approached C in mid 2019 to discuss C's potential involvement in the Whiz project. Softbank told C that they were already talking to Killis and the ICE Group. Stefano Bensi of Softbank emailed Mr Bresnihan and Mr Schless on 25 October 2019 saying that Softbank had decided to use "*ICE Robotics as European Distributor*" and telling C that if they wanted the Whiz, they would have to sign up with ICE Group and deal with their "*new entity*". This is probably a reference to Ice Robotics EMEA B.V.

*Meetings between C and the Defendants in London and Las Vegas, November 2019*

100. After their introduction to each other, on 7 November 2019 Mr Schless and Mr Bresnihan arranged a meeting to discuss Whiz in a restaurant at Kings Cross in London on 12 November 2019. Mr Bresnihan forwarded the email correspondence to Mr Marston and asked if he wanted to attend. He said he did, and that it reminded him that the trade mark position still had not been concluded. He said he would deal with it that afternoon.
101. The three met on 12 November 2019. They discussed Whiz, which Mr Schless accepted in cross-examination had not been launched in the US or the UK at that point, although he said the product was in a warehouse available for end users. Mr Bresnihan is adamant that there was no discussion of cobotics or cobots at that meeting. He says that he was not shown or given any documentation about Whiz and Mr Schless does not dispute that. On the afternoon of 12 November 2019, after that meeting, C filed its invalidation actions against D1's 2015 Trade Marks at the EUIPO.
102. Mr Bresnihan and Mr Marston arranged to meet with Mr Schless and Mr Chen at a breakfast meeting at the ISSA Las Vegas cleaning show on 20 November 2019. There was some confusion in some of Mr Schless's

witness evidence about who was at this breakfast meeting, but I am satisfied that is the list of participants. Mr Bresnihan says that *“We talked about their use of the word ICE and I remember clearly at the meeting they accepted they would stop using “ICE” in the UK to promote their machines and would instead use “Intelligent Cleaning Equipment”.* He says this was confirmed by Mr Killi when he met with him later at his booth at the same show. Mr Bresnihan says that C thought they observed the Defendants *“stopping use of ICE [in the UK] in the short term, and its probably fair to say that it was a good few months that they pulled back from using ICE. The pandemic then made all of use cool down operations after March 2020 and so not much happened after an incredibly difficult period for all of us. It didn’t take long, however, for us to notice that the word ICE started to appear on the Killis website and on social media, and so forth.”*

103. C’s position that the Defendants agreed to stop using ICE branding in the UK, at those meetings in Las Vegas, is disputed. Mr Schless accepts that the trade mark issue was raised, and that C’s representatives complained to him and Mr Chen about *“aggressive marketing”* by Killis. He remembers them as being upset. He says that the parties did not reach agreement on any issue in this meeting, or the afternoon meeting with Mr Killi which focussed entirely on the Whiz/Softbank opportunity. However, he says:

*“...the sentiment of the discussion was that if we were going to work together (on WHIZ) Killis should probably avoid using the marketing messages that can be perceived by the Claimant as aggressive. There was also a discussion about use of the full name “Intelligent Cleaning Equipment” in relation to the ICE Group products in the UK. Again this was in the context of trying to find ways to work together and the Defendants made no such offers or promises. We certainly did not suggest (let alone agree) that we would stop using “ICE” in the UK. The discussion was about using the full name in our marketing in the UK but there was never any suggestion that we would stop using “ICE” or the ICE Roundel Logo on our products... this would have been entirely contrary to our position. By the time we met with Messrs Marston and Bresnihan in Las Vegas we had already decided that we were going to resist the Claimant’s threats of legal proceedings and that the Defendants would continue using the “ICE” branding and the “ICE Roundel Logo in the UK”.*

104. Mr Schless said in his witness statement that he “*cannot believe that this was their understanding from our discussions*”, and in cross-examination was adamant that “*We said that we would not stop using our ICE mark... we told them that we would not stop using our ICE mark*”. He denied allowing Mr Marston and Mr Bresnihan to leave that meeting thinking there was a scope for a commercial solution which involved the ICE Group not using the sign ICE in the UK. He said “*I think for me there were two parts to it: finding an amicable solution, is there a possibility to work together on the basis of Whiz, and I think in that meeting we just made clear that we would not stop using our ICE mark and there was no agreements, no further... procedures defined, I think there was a statement from both sides and that is it*”. However, later in cross-examination, Mr Schless suggested that there may have been discussions of possibilities such as adding “Intelligent” or “Intelligent Cleaning” to the ICE Group branding.
105. Mr Killi says that he was present at an afternoon meeting in Las Vegas between Mr Schless and Mr Bresnihan, but he was not at the breakfast meeting, so he cannot assist me with what was said there. He says that the afternoon meeting was: “*strictly to discuss the Whiz product... we did not discuss the trade mark dispute*”, and in his second witness statement said “*I was never told that there was going to be any offer by ICE Group to stop using “ICE” in the UK and that we would only use the full name “Intelligent Cleaning Equipment” on ICE Group products... I certainly did not ‘confirm’ to them that we would agree to discontinue the use of “ICE”*”.
106. Mr Killi agrees with Mr Schless that despite the initial concerns he had raised, and his request of April or May 2019 that ICE Group should supply product to Killis stripped of the ICE branding, this decision had already been overturned by the time he and Mr Schless met with the C’s representatives in Las Vegas. He said in his second witness statement:

“Later, in October 2019, when Alex Schless joined the ICE Group, we had another discussion on the issue and it was decided that we should revert back to using the “ICE” branding and the ICE Roundel Logo on all ICE Group products to be sold in the UK. The fact that some products were supplied to us with the “ICE”

branding largely stripped off or replaced was not a response to the meeting with the Claimant's representatives in Las Vegas in November 2019. By November it was already decided that we will continue using "ICE" ...".

107. Mr Bresnihan says that they also talked about Whiz with Mr Killi in the afternoon meeting. Mr Killi agrees they did, but says that is all they discussed, and when that meeting was over he was left with the impression that the meeting had gone positively and C was keen on the Whiz opportunity.
108. Mr Bresnihan says that in Mr Schless's follow-up email to him after Las Vegas, on 14 December 2019, Mr Schless did not mention the agreement that ICE Group would stop using the brand "ICE", he referred to the new entity as ICE Robotics UK, and his email sign-off was ICE Robotics. All these matters concerned him from a trade mark point of view.
109. Accordingly, Mr Marston of C wrote to Mr Chen of ICE Group on 19 December 2019. He included reference to what he says was agreed at the breakfast meeting in Las Vegas: *"fundamentally, we must protect the ICE acronym in our space which very much includes robotics. We were happy with your suggestion that your organisation uses the full name Intelligent Cleaning Equipment in the UK so I am hopeful that we can move forward in that way"*. Mr Schless describes that as self-serving, but says that he did not read that email as Mr Marston claiming that the Defendants had **agreed** at that meeting to stop using "ICE" in the UK, as Mr Bresnihan now claims. Mr Marston also wrote that *"We... welcomed the open and constructive discussion and appreciate your pragmatic view in terms of the trademark challenge which we face together"*. Mr Schless in cross-examination said that he was unable to explain that reference, but said that although the Defendants had shown a pragmatic view, they *"had not found any solution or made any commitments regarding the brand"*. The email also suggested that the parties should have further commercial discussions relating to the Whiz products, and proposed that C suspend the EUIPO invalidation proceedings to enable those discussions to take place. Mr Schless says that suggested to him that C was *"not serious with regard to its objection to the use of the ICE brand in the UK"*, but accepted

in cross-examination that he thought, at the time, that C would continue to pursue its challenge to D1's 2015 Trade Marks.

110. Mr Schless accepted in cross-examination that no response to Mr Marston's email was made by Mr Chen or anyone else at the ICE Group.
111. Let me make some findings. On the balance of probabilities I am satisfied that although several issues were discussed at the breakfast meeting in Las Vegas, including:
- i) C's clear concerns about use of the ICE sign by the Defendants in the UK and use of the ICE sign by the Defendants in the sphere of robotics;
  - ii) Mr Chen's suggestion that they might use their full company name or add "Intelligent" or "Intelligent Cleaning" to their branding;
  - iii) the possibility of collaboration together on the Whiz project; and
  - iv) that C would suspend their EUIPO proceedings to allow for those commercial discussions;

and although I accept C's evidence that Mr Bresnihan and Mr Marston believed that an agreement had been reached with Mr Chen that they would stop using the ICE sign in the UK, I find that no concluded agreement was reached.

112. I am satisfied that at the Las Vegas breakfast meeting:
- i) C left Mr Schless and Mr Chen in no doubt about the scale of C's trade mark concerns;
  - ii) Mr Schless and Mr Chen indicated and may have gone so far as represented to C's representatives that the ICE Group and Killis would consider reducing and/or ceasing their use of the ICE brand in the UK or using it together with Intelligent or Intelligent Equipment as Mr Schless suggested in cross-examination; but

- iii) this was no more than a negotiating tactic to leave the door open for what might be a new collaboration with C over Whiz and to accept the offer from C to suspend the EUIPO invalidation actions; because
  - iv) they had previously agreed between themselves and Mr Killi that they would not reduce or cease their use of the ICE brand; and
  - v) that is why they did not mention trade marks in their follow up emails, but did mention Whiz. In fact no deal was agreed with C about Whiz either then or later.
113. On 24 January 2020 C filed a UK trade mark application for C's ICE Co-Botics Logo in classes 35 and 37. Mr Bresnihan says that C had been involved in the development of autonomous cleaning machines since 2009 or 2010 in partnership with Cleanfix for the production of the "Cleanfix Robo" later known as Robo 40. The Defendants dispute that C was significantly involved in the development of Robo 40, rather C had an involvement in the promotion of it, and I accept that given Mr Bresnihan's responses to questions in cross-examination. In any event, Robo 40 was trialled with MITIE at Manchester Airport in November 2010 who was an existing customer of C and I accept C had some involvement in that trial. In August 2011 Cleanfix developed a new iteration, the ROBO 20S, which went into production around April 2012 with the intent of launching into Tesco stores, again with MITIE. The development continued, with the launch of the ROBO 2 which was developed in around 2014 – 2015 and launched at Interclean in May 2016. This started life branded as Cleanfix but in late 2016 or early 2017 it was branded the ICE Robo 2, using C's ICE Logo. That was further developed into an ICE Robo 3 in November 2018. Given the evidence I have heard I am satisfied that C had a 10 year interest in and involvement with robotic cleaning equipment, and had been selling robotic cleaning equipment to the public since at least 2016.
114. Mr Bresnihan says that C was looking for the next innovation in robotic cleaning products. As well as being interested in getting involved with Whiz/Softbank, he met with a manufacturer called Gaussian Robotics at the 2019 Las Vegas show whose product line really excited his interest. I have seen Mr Bresnihan's follow-up email to Mr Marston on 25 November

2019 telling him about that meeting, and titled “ICE Co-Botics”. The intention was for C to launch those machines at Amsterdam in March 2020, but that physical show was cancelled due to the pandemic so they received a virtual launch in May 2020. They are in C’s grey and blue livery and display C’s ICE Logo, and as Mr Schless accepts, are sold by C as their products.

115. Mr Schless says that C took the cobotics idea from him after he used it at the Las Vegas meetings with Mr Marston and Mr Bresnihan. He says that he had been using the term ‘cobot’ and ‘cobotics’ since about 2016, while working for Future Cleaning Technologies B.V. which had secured a trade mark registration for a logo featuring the word ‘co-botics’ in 2018. Mr Schless says that he promoted the ‘Cobotics’ concept within the ICE Group, as meaning a robot which works as a co-worker alongside a human worker. In evidence are various slide packs produced by Mr Schless at this time: one from September 2019 of an internal presentation at ICE Group which makes no reference to cobots or cobotics, and another of December 2019 of a presentation of the Whiz product aimed at potential partners, which he relies on, and which does refer to cobotics. Mr Schless accepts that he did not show either of the slide packs to Mr Marston or Mr Bresnihan at Las Vegas, but says that he recalls talking about cobots and cobotics with them in Las Vegas. I remind myself that Mr Schless originally remembered Mr Killi being at the breakfast meeting in Las Vegas when everybody else appears to have remembered that he was not, and so I am not sure how reliable his memory is for the detail of that meeting. Mr Bresnihan says he has no recollection of Mr Schless using the terms, Mr Marston says he did not use them. Mr Pang does not mention that cobotics was discussed and nor does Mr Killi in relation to the afternoon meeting (although he was not at the breakfast meeting).
116. In cross-examination, Mr Schless accepted that an outsider would have expected him to include the concept in the September 2019 slide pack if he had already been using it at that time. He also accepted that the December slide pack presents cobotics as a brand-new idea. His own evidence states that the ICE Group’s branding moved from ICE Robotics to ICE Cobotics “*since 2020*”. Taking all the evidence into account I think

it is more likely than not that Mr Schless did not refer to cobotics or cobots in his Las Vegas meetings with C's representatives. The fact that those terms were used by other cleaning equipment manufacturers (including Mr Schless's previous employer) since at least 2016, and publicly since 2018, suggests that Mr Bresnihan could have come across the term in some other way and I think given C's interest in robotics generally, it is more likely than not that he did.

*C's 2020 Trade Marks*

117. C filed the application for C's ICE Co-Botics Logo on 24 January 2020.
118. D1 filed the applications for D1's ICE Cobotics Logo and D1's ICE Robotics Logo on 18 May 2020.
119. In May 2022, the ICE Group took a stand at the 2022 Interclean Amsterdam Show and branded it with D1's ICE Cobotics Logo. Following that show, several C's customers and contacts contacted it expressing their concern, and confusion:
  - i) On 12 May 2022 Steve Caddell of OCS emailed Mr Bresnihan saying that he had "*visited a stand hosted by "ICE Cobotics", believing it was your company... only to find, after me asking where you were, that they were a "different" ICE... My confusion was compounded because the "other" ICE, apart from the name, shared the same branding and colour scheme (grey and light blue).*";
  - ii) On 13 May 2022 Jim Melvin, Group Chief Executive and Chairman of the British Cleaning Council emailed Mr Marston saying "*I visited the Interclean show in Amsterdam this week as, amongst other reasons, I am extremely interested in our cobotic approach. I was therefore surprised to see the ICE Cobotics display. I naturally assumed it was your company given not only from the name [sic], but also from the company colours, brand and general appearance. It came as a surprise to find out it was nothing to do with ICE and was a completely separate entity. I have known ICE for some fourteen*

*years and so it was on the basis of my surprise that I felt I should drop you a note, as I am sure I will not be on my own in that regard...”*

- iii) On 13 May 2022 Jamie Hall at Birking Cleaning Services Ltd emailed Mr Marston commenting *“I just got back from... InterClean...was surprised and a bit confused by the stand from “ICE Cobotics”. Seeing the name, branding etc went over to say hi to you and your team to then be told a different... company?? Not sure if aware but thought would mention.”*

## THE ISSUES

120. At a case management conference conducted by HHJ Hacon he ordered a split trial of liability and quantum, made directions, and set out in the schedule to the CMC order a list of issues for determination at the liability trial as set out in the schedule to this judgment.
121. I find it convenient to deal with the issues in this order:
- i) C’s invalidity claims in relation to D1’s 2015 Trade Marks (encompassing passing off for the purposes of s5(4)(a));
  - ii) the Defendants’ statutory acquiescence defence;
  - iii) the Defendants’ invalidity claims in relation to C’s Trade Marks;
  - iv) C’s invalidity claims in relation to D1’s 2020 Trade Marks;
  - v) infringement;
  - vi) passing-off.

### **C’s invalidity claims in relation to D1’s 2015 Trade Marks pursuant to sections 47(2)(b) and 5(4)(a) TMA**

122. C’s case is that D1 filed its 2015 Trade Marks after C had acquired substantial and actionable goodwill in its business of selling and renting commercial cleaning equipment by and under reference to the C’s ICE Sign and C’s Ice Logo, so D1’s 2015 Trade Marks in respect of floor

cleaning machines in class 7 are liable to be prevented by virtue of the law of passing off and are invalid under sections 47(2) and 5(4)(a) TMA.

123. D1's primary position is that it is entitled to rely on section 48 TMA (acquiescence) such that C has ceased to have any entitlement to challenge the validity of the marks, and I will come back to that. Its secondary position is that D1's 2015 Trade Marks are not liable to be prevented by the law of passing off as there is insufficient goodwill, there is no misrepresentation and there is no evidence of damage.

***Relevant date***

124. The application date of D1's 2015 Trade Marks is 18 June 2015, but C accepts that D1 commenced actionable use of the ICE sign and D1's ICE logo before this date. The Defendants submit that the relevant date is June 2013 when it says ICE Group's machines were first being marketed, imported and sold in the UK under these marks, when WCS was ICE Group's UK distributor. C submits that there is very limited evidence of use in 2013 and submits that use appears to have commenced properly in June 2014, although it says such use was not significant.
125. I have seen purchase orders and invoices showing that WCS ordered ICE Group machines from July and August 2013 onwards, and there is evidence that WCS sold 30 units of ICE Group machines in 2013 and 135 units in 2014. However, there is no evidence before me about how those specific units were branded: whether they were sold with D1's ICE Sign or D1's ICE Logo intact, or overstickered as WCS. I remind myself that Mr Elmore emailed the ICE Group in October 2014 raising concerns about C's ICE Sign and saying that he had marketed the ICE Group products by reference to International Cleaning Equipment. Mr Killi says Killis bought ICE Group machines from WCS which were not overstickered, and bore ICE Group branding, but the first such purchase appears to be in 2014.
126. The first evidence of the promotion of ICE Group machines on the WCS website is June 2014, the first posts on WCS's Facebook and twitter feeds which could be said to promote ICE Group machines by reference to D1's

ICE Logo or D1's ICE sign are September 2014 and November 2014, and the first WCS sales brochure before me clearly showing ICE Group machines and D1's ICE Logo dates from 2015.

127. Mr Pang accepts that he does not have any knowledge of WCS's promotional activities or sales in the UK during this time period and accepted, when it was put to him in cross-examination, that there was very little exposure of the ICE Group brand through marketing to the UK by WCS at all. Of course, there was the WCS website.
128. C has argued its case using June 2013 as the relevant date for the purposes of the trial without making an admission as to that date. In the absence of any evidence of offer or sales of ICE Group machines under the ICE sign or D1's ICE Logo before they appeared on the WCS website in June 2014, I find that June 2014 is the relevant date.

### ***Goodwill***

129. I have set out the long history of C's business and I am satisfied that there can be no real argument but that by June 2014 C had accrued substantial and valuable goodwill in both C's ICE Sign and C's ICE Logo. I am satisfied that following the rebrand in 2007, C had used C's ICE Sign almost exclusively when referring to itself to the public, including in press and marketing materials. I am satisfied that it used C's ICE Logo in the course of trade after 2007, and that trade was very substantial by the relevant date.
130. Mr Killi in his cross-examination accepted that C's turnover as far back as 2010 was significant and would have established it as a significant business at that time, and he further accepted that C is one of the largest independent distributors of professional cleaning equipment in the UK, and has been for the last five to 10 years. I am satisfied that is because it had carried out significant trade in retail, rental and maintenance services under or by reference to C's ICE Sign and C's ICE Logo such that they were recognised by the public as distinctive specifically of C's services, and none other.

131. The Ds submit:
- i) C's case in passing off should be limited to C's ICE Logo as C had failed to establish that C's ICE Sign was a separate and different trade mark in which goodwill had accrued; and
  - ii) that such goodwill which had accrued in C's ICE Logo by the relevant date in 2014 accrued only in relation to C's distribution, rental and maintenance business, i.e. the sale of services, including distribution services for floor cleaning machines manufactured by third parties, and not the sale of floor cleaning machines. The Defendants distinguish between C's sale or distribution of third-party manufactured floor cleaning machines to which, it says, no goodwill accrues to C's ICE Logo or C's ICE Sign relating to the sale of those goods, and the ICE Group as a manufacturer of floor cleaning machines, to which it says goodwill does accrue to D1's ICE Logo and D1's ICE Sign from sales by its distributors in the UK.
132. I am not with the Defendants on either point.
133. In relation to C's Ice Sign I am satisfied it is a separate and different trade mark to which goodwill has accrued: I am satisfied that C has offered goods and services through its website at [www.ice-clean.com](http://www.ice-clean.com) since at least April 2001, i.e. the domain incorporates C's ICE Sign with over 12 years continual use until the relevant date for the purposes of section 5(4)(a) TMA; I accept Mr Bresnihan's evidence that there was a strategic decision to refer to C only as ICE for marketing and brand-related purposes from 2007 and I have seen evidence to support that is what has happened ever since, as set out in my summary of the facts. Of particular support are: Mr Morton's reference to C as ICE in the case summary of the Co-op deal produced in November 2011; photographs of C's vans in livery incorporating C's ICE Sign as well as, separately, C's Ice Logo; and photographs of C's stands at various trade shows in the UK branded with C's ICE Sign as well as C's Ice Logo; but there is plenty of other evidence in the trial bundles to which I have not specifically referred.

134. In relation to the second point, Mr St. Ville in closing made a submission that *“the earliest that you have any evidence that any products, carrying C’s square logo on, went out to people, is 2014”*. I am satisfied that is not the case. Even putting to one side for the moment C’s substantial and extensive sales of third-party manufactured floor cleaning machines overstickered with C’s ICE Logo since the rebrand in 2007 up to and even after 2016, which I will come back to, I am satisfied that C also sold co-branded floor cleaning machines with Lindhaus, displaying C’s ICE Logo (albeit in black and white) in 2012 and 2013, before beginning to offer the DRYVER machines displaying C’s ICE Logo (albeit in red) in June 2014.
135. In relation to the Lindhaus machines, Mr St. Ville argued that C’s ICE Logo, applied in conjunction with the words “distributed by”, was there to inform customers that C was the distributor of the product, not the producer or manufacturer of it, but that does not answer the questions: (i) whether goodwill arose from such trade, to which I am satisfied that the answer must be yes as that trade went on for several years and in not insignificant volumes, as I have set out; and (ii) whether such goodwill accrued in whole or in part to C’s ICE Logo from such trade. I asked Mr St. Ville if he was arguing for the Defendants that goodwill could not accrue to each brand in a co-branded product, or that this was not an example of that, and he confirmed that he was arguing only the latter, but without really explaining why. I am satisfied that the goodwill arising from sales of the Lindhaus machines branded with C’s ICE Logo would accrue to each of the Lindhaus mark and C’s ICE Logo. Any sales of DRYVER machines by the relevant date would also accrue goodwill to C’s ICE Logo. However, the evidence is that although those were offered to the public from at least June 2014 they were only sold from July 2014 with the first delivery to Sainsburys in July 2014.
136. In relation to the overstickered of third party products sold to customers by C, the Defendants submit that was intended to and had the effect only of promoting C’s repair and maintenance services to the operatives of those machines, and so accrued goodwill in those services and not in the sale of those goods, but there is really no credible evidence to support that submission, in my judgment. Mr Killi says that is likely to have been the

reason why WCS and CES did it, but I have Mr Edwards own evidence as to why CES did it, and that evidence is unchallenged and does not accord with Mr Killi's view. I remind myself Mr Killi is a lay witness of fact, and not an expert.

137. Mr Edwards says it was to brand the machines themselves with CES's brand in the hope that the customers would not notice that they were obtaining floor scrubbing machines from a different manufacturer to the usual manufacturer supplied by CES. Accordingly, his evidence is that this was a practice in the relevant market for the purpose of strengthening, or accruing goodwill to, the brand placed on the sticker.
138. It is difficult to see why C would not have wanted and intended the overstickering to promote all of its business, including its sale of floor cleaning machines which was a key element of its business. Mr Bresnihan's evidence is, indeed, that one of the reasons that C moved from overstickering to co-branding and then producing its own-brand machines was to *further* strengthen C's ICE brand, but I take that as evidence that each of those steps were for the intention of accruing goodwill to C's ICE Logo and C's ICE Sign.
139. The evidence of C's witnesses and Mr Killi is that customers purchasing such machines were less concerned about who the manufacturer of the machines was and more concerned about whether it was the right machine for the job, and that customers sought out C and Killis for the provision of specialist advice on the appropriate machines for the job, as well as a full range of products for sale and rental, and associated repair and maintenance services. Accordingly, I am satisfied that goodwill which arose from the sale of goods went far beyond that arising from a simple big box distributor. In my judgment, it would be perverse for me to find in the circumstances of this case that although C sold floor cleaning machines branded with C's ICE Sign and C's ICE Logo for years before the relevant date on a very substantial scale, goodwill arising was attributable only to the provision of services and not to the sale of floor cleaning machines themselves.

140. Finally Mr St. Ville argues that C's ICE Sign is used in relation to a company called Industrial Cleaning Equipment, whose name is shortened to I.C.E and then referred to as ICE, "*but always in the context of the company's name*". He submits that a descriptive name which is shortened to a three-letter acronym which is in itself a meaningful word, is not use of a trade mark in the course of trade. Of course the same could be said in relation to D1's ICE Sign and Intelligent Cleaning Equipment. In any event, I do not agree. The fact that it is a meaningful word which has nothing to do with cleaning makes it less likely in my judgment that the public, when looking at it, will call the full company name in mind and consider it descriptive of that company, as they might do when considering an acronym which does not form a meaningful word, such as "BBC" which by its lack of meaning, and the fact that it must be spelled out to be said, reminds the public that it is an acronym for the British Broadcasting Corporation.

### ***Misrepresentation***

141. The question is whether C has satisfied the Court that the fair and notional use of D1's 2015 Trade Marks would amount to a misrepresentation to the public (whether or not intentional) which leads or is likely to lead the public to believe that goods or services offered by him are the goods or services of C.

### ***Relevant consumer***

142. The court must carry out a global assessment of the normal and fair use of D1's 2015 Trade Marks for the services for which they are registered, compared to C's ICE Sign and C's ICE Logo, following the applicable principles set out by the Court of Appeal in *Specsavers International Healthcare Ltd v Asda Stores Ltd* [2015] EWCA Civ 24, [2012] ETMR 17 at [51]-[52]. The question is what overall impression is provided by the marks in the mind or perception of the average consumer of the goods and services in question. I won't set out the full principles here but remind myself that he or she is reasonably well informed, observant and circumspect, rarely has the chance to make direct comparisons between marks, rather relying on the imperfect picture of them he or she has kept

in his or her mind, and whose attention varies according to the category of goods or services in question. He or she normally perceives the mark as a whole and does not analyse its various details.

143. The Defendants submit that the relevant consumer for the goods and services in question is a sophisticated one, albeit in relation to the Defendants attack on the validity of C's ICE Trade Marks, it submits that the consumers involved include ordinary domestic consumers of the services in question.
144. C submits that the relevant consumer includes both trade customers for wholesale services and services relating to industrial equipment, and members of the general public for retail and rental services of non-industrial and/or domestic equipment, and the same is true of D1's goods. I accept, as it appears, do the Defendants, that there is both a trade and a consumer customer base for C's goods and services and for D1's goods. Mr Killi and Mr Schless have provided their opinion that the customer base generally is sophisticated and knowledgeable, but Mr Killi in his witness statement describes how his customers are sometimes confused between the products, and he accepted in his cross-examination that even large trade customers wanted advice on the right machine for the job, were less interested in the brand of a recommended machine than its ability to do the job, and would often take that advice. It seems that the level of sophistication and knowledge of even trade customers is very variable. Accordingly I prefer C's description of the average consumer, without a focus on sophistication.

*Assessment*

145. There is no dispute that C's ICE Sign when compared to D1's ICE Word Mark are visually, aurally and conceptually identical to each other.
146. Comparing C's ICE Logo and D1's ICE Logo, I am satisfied that the dominant component of both is the word ICE, so they are conceptually and aurally identical. I find both to be visually very similar. Both have a simple, sans-serif somewhat blocky, stylised font, albeit the font on D1's ICE Logo is more squared-off than that in C's ICE Logo. I am not

convinced the average consumer, whether a trade or a consumer, would particularly note that difference if he was recalling each mark to mind and did not have them both before him. The impression of each is that C's ICE Logo is in lower-case whereas D1 uses upper-case, but the only real distinction is in the letter 'E', as the 'I' and 'C' of both are not really case-specific. Both have "ICE" in white against a blue background, albeit it is a plain square shape with three rounded corners in C's ICE Logo and a roundel with some shading and use of white to give the impression of a three-dimensional shape in D1's ICE Logo. The square or roundel backgrounds on each, and the blue colours of each, are distinctive elements of the whole but not dominant, in my view. The overall impression that each provides is, in my judgment, one with a high degree of similarity.

147. Comparing C's ICE Sign with D1's ICE Logo, as the dominant component is the word ICE, I also find these to be conceptually and aurally identical. Because of the simplicity of D1's ICE Logo with the dominance of the simple blocky word 'ICE', I also find them to have a high degree of visual similarity.
148. The Defendants submit that the difference between C's services and the goods for which the marks are registered and the differences between D1's 2015 Trade Marks and C's ICE Logo with which C's goodwill is associated should lead the Court to conclude that the challenge against the validity of D1's 2015 Trade Marks should fail because, inter alia, C has failed to prove the fact of misrepresentation.
149. However, I have found that C had goodwill in C's ICE Sign and C's ICE Logo in relation to the sale of floor cleaning machines (as well as the provision of rental and servicing services for floor cleaning machines) by the relevant date and this was also true on 18 June 2015, the date that D1's filed its applications for D1's 2015 Trade Marks. I have also found that D1's ICE Sign is identical to C's ICE Sign and D1's ICE Logo is highly visually similar, and aurally and conceptually identical to C's ICE Logo and C's ICE Sign, with a high degree of similarity. Those have accrued goodwill in the course of trade in identical goods to those for which D1's

2015 Trade Marks have been registered: “floor cleaning machines” in class 7. Accordingly both limbs of the Defendants’ submission fall away.

150. Although I have found that both C and D1 were using the relevant signs in a common field of trade, that of the sale of floor cleaning machines, Millett LJ in *Harrods v Harrodian School* [1996] RPC 697 CA is clear that that is not, of itself, enough to amount to a misrepresentation to the public: *“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... 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”*.
151. The Defendants submit that (i) there is no evidence of confusion; (ii) C as a distributor and service provider operates in a different field of activity to D1 as a manufacturer of goods; and (iii) that the ICE Group’s products’ long co-existence in the UK market without complaint from C and without any actual confusion being noted from June 2014 or at the time of the application for D1’s 2015 Trade Marks; militate against a finding that there is a likelihood of confusion. However:
- i) C submits that the Defendants’ use of the ICE Sign and D1’s ICE Logo between June 2014 and 18 June 2015 was extremely limited, and remained very limited until Killis took over from WCS as distributor of the ICE Group products in 2019, but when considering validity of D1’s 2015 Trade Marks the issue for determination is whether there will be passing off by reason of notional and fair use of the trade marks. Accordingly, C argues, the fact that there is no evidence of actual confusion in 2014 or by 18 June 2015 on the basis of the use actually made of the marks does not mean there would not have been confusion had notional and fair use been made of the marks at the date they were applied for. I accept those submissions;
  - ii) I am satisfied that there was at the relevant date a common or alternatively a very closely associated field of activity between C and D1, namely the sale of floor cleaning machines (as a common field)

or C's sale, rental and servicing/repair of floor cleaning machines and D1's floor cleaning machine manufacture and sale (as very closely associated fields), which prima facie gives rise to a likelihood of confusion between C's Sign and C's Logo with its long-established goodwill arising in part from the retail of floor cleaning machines, and notional and fair use of D1's 2015 Trade Marks for the machines themselves;

- iii) I do not agree that at the date of application for D1's 2015 Trade Marks there was a long co-existence of ICE Group's products in the market. There were very few sales of product in 2013, 2014 and 2015 and I can only be satisfied that they were marketed and sold in a limited way pursuant to D1's ICE Sign and D1's ICE Logo from June 2014.

152. I also note that Mr Killi in oral evidence accepted that a consumer who was only aware of one or other company (C or D1) would be confused if they were presented with the brand name or the logo of the other company, because of the similarity in the branding. He said "*Well, of course, because the names are the same*". Although his company became a distributor only in 2019, he was an early customer of ICE Group products in the UK from 2014 and so his view does inform me of the likely response of consumers on the relevant date.

153. In all the circumstances, I am satisfied that on the relevant date in 2014 there was a likelihood of confusion amounting to misrepresentation by the notional and fair use of D1's 2015 Trade Marks for the goods for which they are registered, which would or would be likely to cause a substantial number of the public to believe that D1's goods were the goods of C or a connected entity.

### ***Damage***

154. The Defendants submit that C has been unable to show any damage by use of D1's 2015 Trade Marks from June 2014, but the point is the same as made previously. For the purposes of section 5(4)(a) TMA I am concerned with notional and fair use of the registered marks, and I am

satisfied that is different, and would be significantly more substantial, than the very limited use made by WCS in the UK of D1's ICE Word Mark and D1's ICE Logo prior to their registration. There does not need to be any actual damage as this can be made out on a *quia timet* basis. It seems to me that given the very significant goodwill I have found in C's ICE Sign and C's ICE Logo built up over many years, and the misrepresentation that I have found would likely arise if notional and fair use of D1's 2015 Trade Marks was made, the likelihood of damage to C would inevitably flow from that.

***Conclusion in relation to sections 47(2) and 5(4)(a) TMA***

155. Subject to D1's defence of acquiescence, which I will now go onto consider, C has satisfied me of its case of invalidity of D1's 2015 Trade Marks under sections 47(2) and 5(4)(a) TMA, as I am satisfied that D1's 2015 Trade Marks in respect of floor cleaning machines in class 7 are liable to be prevented by virtue of the law of passing off.

**Statutory acquiescence – sections 48 and 5(4)(a) TMA**

156. The question is whether D1 has a defence to C's application to invalidate D1's 2015 Trade Marks in light of D1's case that C has acquiesced in the use of such marks in the UK for more than 5 years.

157. I have found as a matter of law that the five-year statutory period begins to run in relation to use which is (i) after D1's 2015 Trade Marks have been registered; and (ii) after C knows of both the fact of the registration of D1's 2015 Trade Marks, and the use of D1's 2015 Trade Marks.

158. C submits that the earliest date that all three of these requirements are met, so that time can have started to run for the purposes of s5(4) TMA, is 26 July 2019, which is the date that C says it became aware of the registration of D1's 2015 Trade Marks, as confirmed by Mr Marston in cross-examination. It is common ground that date is after D1's 2015 Trade Marks were both registered and used. I accept Mr Marston's evidence as I am satisfied that he is a credible and honest witness generally, including on this point, and there is really nothing to gainsay it.

159. That means that there can be no argument that C has acquiesced in the use of such marks in the UK for more than 5 years, as that five year period has not yet expired and will not expire until 25 July 2024 which would have been the earliest date that the Defendants could have relied upon an acquiescence defence, had the parties not agreed that these proceedings have stopped the clock. The parties dispute whether that clock was stopped by the issue of the claim form or the service of the claim upon the Defendants or any of them or, indeed, on the taking of any earlier action by C, but these are not matters I need to determine as they make no difference. The defence of acquiescence cannot succeed on the facts of this case.

160. Accordingly, C's claim that D1's 2015 Trade Marks are invalid succeeds.

#### **Ds' invalidity claims in relation to C's Trade Marks**

161. The parties agree that if, as I have found, D1's 2015 Trade Marks are invalid, this claim largely falls away save that the section 3(6) (Bad Faith) challenge to C's ICE Co-Botics Logo remains live.

162. Ds' case on this point is that the Defendants discussed cobotics with C in Las Vegas in 2019, C took the cobotics idea from them, and incorporated it into C's ICE Co-Botics Logo in bad faith in order to, *inter alia*, pre-empt the expansion of the ICE Group's brand into use of the terms ICE Robotics and ICE Cobotics. However, I have found as a fact that the Defendants did not discuss cobotics with C in Las Vegas. Accordingly, this argument does not get off the ground and this claim must fail.

#### **C's invalidity claims in respect of D1's 2020 Trade Marks**

163. I have found that the registration of D1's 2015 Trade Marks were liable to be prevented by the law of passing off. The C's Trade Marks were both registered before the date of application of D1's 2020 Trade Marks and so are 'earlier marks' within the meaning of s6 TMA.

164. In relation to D1's 2020 Trade Marks the relevant date is the date of application (18 May 2020) as no earlier use is relied on.

***Sections 47(2)(a) and 5(2) TMA – Likelihood of confusion***

165. For the purposes of assessing the likelihood of confusion in the context of a validity challenge the court must attribute to C and D1 a fair and notional use of their trade marks and assess the likelihood of confusion of the relevant consumer of the goods and services in question.

*Global assessment of similarity of the marks*

166. Ms Messenger for C set out in her skeleton argument her reasons for submitting that there is a very high degree of visual, aural and conceptual similarity between both the C's Trade Marks (C's ICE Logo and C's ICE Co-botics Logo) and both of D1's 2020 Trade Marks (D1's ICE Robotics Logo and D1's ICE Cobotics Logo). I have already carried out an exercise in assessing overall impression conveyed to the public of C's ICE Logo compared to D1's ICE Logo, and the difference to the latter in relation to D1's 2020 Trade Marks is simply the addition of the word "ROBOTICS" or "COBOTICS" as the case may be, under D1's ICE Logo. In addition, I must also assess the overall impression of C's ICE Co-botics Logo as against D1's 2020 Trade Marks, and that is identical to C's ICE Logo save for the addition of "CO-BOTICS" under C's ICE Logo.

167. I do not consider that the relevant consumer would be different to that which I have previously described, encompassing both trade and consumers. I am satisfied that consumers use home robotics very frequently, and did in 2020. I take judicial notice from my own knowledge that robotic vacuum cleaners have been available since at least 2008 in the UK, and probably earlier, and since then robotic mops, lawnmowers and other devices have become if not ubiquitous, then very common.

168. Both C and D1 have chosen to add these words to their logos in a simple, all-capital font centralised directly under the relevant logo, sized to be subsidiary to the main "ICE" component of each design in an almost identically proportionate way. Although C has chosen a slightly more stylised and open font so that "CO-BOTICS" takes up the full width of the square element of the logo, and D1 has chosen a more closed font so that "ROBOTICS" or "COBOTICS" takes up just over a half of the width of the

roundel element of the logo, the overall impression caused by each of those subsidiary words as part of the whole, is very similar because I am not satisfied that that difference would particularly be noted when these marks were called to the mind of the relevant consumer. The dominant feature of all these marks remains the word “ICE”, in my judgment, and the square background (for C’s marks) and the roundel (for D1’s marks) are also important, with an independent distinctive role, albeit not dominant. Both these elements are more distinctive than the CO-BOTICS, ROBOTICS or COBOTICS elements which are subsidiary.

169. Mr St. Ville submits that D1’s roundels are “*strikingly different*” to C’s square logo. I accept they are different, but when the overall impression of the marks is assessed, I do not find the differences in those elements to provide a strikingly different impression overall. In fact, the addition of the words CO-BOTICS in C’s ICE Co-botics Logo and ROBOTICS/COBOTICS in D1’s 2020 Trade Marks somewhat increase the similarity of the overall impression, as their similarity to each other and in size, proportion, style and layout serve to mask, in part, the difference in the shape of the background to the dominant feature being the word “ICE”.
170. I find that the addition of the word ROBOTICS or COBOTICS makes each of D1’s ICE Robotics Logo and D1’s ICE Cobotics Logo slightly less similar visually aurally and conceptually to C’s ICE Logo than is D1’s ICE Logo, but still, in my judgment, with a high degree of similarity. D1’s ICE Cobotics Logo is, however, aurally and conceptually identical, and with a very high degree of similarity, to C’s ICE Co-botics Logo and D1’s ICE Robotics Logo has, in my judgment, a very high degree of aural and conceptual similarity and a high degree of visual similarity to C’s ICE Co-botics Logo. The distinction between COBOTICS (in D1’s mark) and CO-BOTICS (in C’s mark, with a hyphen) is of very little relevance, in my judgment, given the small size of the font and the fact that I am considering the overall impression made on the relevant consumer, who will be calling the trade marks to mind and not directly comparing them.

#### *Similarity of goods/services*

171. Ms Messenger has set out almost the full specification of C's Trade Marks and D1's 2020 Trade Marks in her skeleton argument, which I will not repeat here. Broadly speaking, the C's services relied upon are retail, wholesale and online retail services (class 36) and rental of (class 37) machines, vehicles and equipment for industrial and domestic cleaning, polishing and vacuuming, including robotic cleaning vehicles. The specification of D1's 2020 Trade Marks is extensive and verbose, and Ms Messenger broadly describes them in four categories: 1. machines for cleaning, polishing and vacuuming; 2. robotic machines for cleaning, polishing and vacuuming; 3. industrial robotics; and 4. construction, industrial and decoration equipment.
172. She submits that there is a very high degree of similarity between C's services and categories 1, 2 and 3 of D1's goods, which she describes as complementary to C's services, the goods being indispensable for the services. I accept that submission. She further submits that both have identical consumers, identical end purposes and share trade channels, as a provider of retail and rental services is also a provider of the goods used in those services. I accept that submission as it appears to reflect the reality in the marketplace: C being both a provider of retail and rental services and a provider of goods used in those services; and D1 being a manufacturer and supplier of goods but also through its move into robotics, and as explained by Mr Schless, moving towards the provision of retail and maintenance services in relation to such goods.
173. Finally, Ms Messenger submits that the degree of similarity between C's services and category 4 is lower, but there remains a similarity as a result of shared trade channels, for example to industry, relying on the fourth criterion identified in *British Sugar PLC v James Robertson & Sons Limited (Treat)* [1996] R.P.C. 281 for assessing similarity between goods and services. Category 4 includes, inter alia, metalworking machines and tools, construction machines and apparatus, loading-unloading machines and apparatus, painting machines and apparatus... Motor and engines [except for land vehicles].

174. Mr St. Ville made no submission to address this point, so I do not know what the Defendants' view is. I do not know whether there are shared trade channels and I do not believe there is evidence on that point before me. However, it seems to me that there is likely to be a significant overlap in the respective users of C's services for retail and rental of machines, vehicles and equipment for industrial and domestic cleaning, polishing and vacuuming and many of the machines set out in Category 4. For example, C's customers include supermarkets or facilities managers of supermarkets, and loading/unloading machines such as forklift trucks are very commonly used there. This is the third criterion in *British Sugar*. Accordingly I accept there is a lower degree of similarity with category 4.

*Inherent distinctiveness*

175. I am satisfied that C's Trade Marks have a high degree of inherent distinctiveness. I have rejected Ds' submission that they are somehow less distinctive because the dominant element is the word "ICE" which is a meaningful word which is also an acronym of Industrial Cleaning Equipment. I accept Ms Messenger's submission that C's ICE Logo has an enhanced distinctive character as a result of the use that has been made of it which has caused it to accrue substantial goodwill since 2007.

176. For those reasons (the similarity between marks and goods/services, the distinctiveness of C's Trade Marks and the enhanced distinctiveness of C's ICE Logo) I am satisfied that there is a likelihood of direct confusion between both of C's Trade Marks and both of D1's 2020 Trade Marks as at 18 May 2020 when D1 filed its application for those marks. I accept Ms Messenger's submission for C that this is supported by the response of those who emailed Mr Bresnihan and Mr Marston after the Interclean Amsterdam show in 2022, as set out previously. These are examples of actual confusion which post-date the relevant date, but are illustrative.

177. C also submits that there is also a likelihood of indirect confusion between C's Trade Marks or either of them, and D1's 2020 Trade Marks because:

- i) the strikingly distinctive common dominant element "ICE" is such that the average consumer would assume that no-one else but C

would be using it in a trade mark sense in such closely related fields;  
and/or

- ii) D1's 2020 Trade Marks are of a kind that consumers would expect to find in a sub-brand or brand extension to C's marks.

178. I accept both those submissions. For those reasons, the invalidation claim for D1's 2020 Trade Marks also succeeds pursuant to sections 47(2)(a) and 5(2) TMA.

***s. 5(3) – Unfair advantage or detriment***

179. I have already found in relation to good will that C's ICE Logo had a reputation in the UK in relation to the services for which it is registered by 18 May 2020 when D1 applied for D1's 2020 Trade Marks. I have also addressed similarity of the D1's marks to C's ICE Logo. I am satisfied that consumers aware of C's ICE Logo would clearly call that mark to mind if they were presented with D1's 2020 Trade Marks (and I have evidence that they did call that mark to mind, by the response to D1's stand at InterClean 2022).

180. Ms Messenger for C submits that in circumstances where D1 knew of C, its presence on the UK market, its concern about its trade marks and D1's use of the ICE sign, and that C had sought to invalidate D1's 2015 Trade Marks, that it is a reasonable inference that D1 knew that a significant proportion of members of the public would be likely to make a connection between its marks and C's mark, and if they did so, then some of the brand image and reputation of C would unfairly transfer to D1. I accept this submission. It seems to me that it is also of relevance both that Mr Elmore had raised concerns about confusion in relation to use of D1's ICE Logo in October 2014 and that Mr Killi was particularly aware of this potential for linkage in the mind of consumers and for that reason had specifically warned D1 that it should seek to sell its goods in the UK with reference to its entire company name, and not the ICE sign in 2019. Both these warnings were before the date of application for D1's 2020 Marks.

181. Accordingly, for all the reasons which I have already explored, I am satisfied on the balance of probabilities that notional and fair use of D1's 2020 Trade Marks for the goods for which they are registered would at the date of application, lessen the ability of C's ICE Logo to distinguish C and its goods and services from those of others in the minds of members of the relevant consumers, both diluting and taking unfair advantage of C's ICE Logo.

*Due cause*

182. I must also be satisfied that D1's 2020 Trade Marks have been applied for and used without due cause, for C to succeed in this head of claim. Mr St. Ville relies on the guidance of the CJEU in *Leidseplein Beheer BV v Red Bull GmbH* (C-65/12) [2014] Bus LR 280 at [53] – [60], that the court has to take into account how the signs have been accepted by the relevant public, their reputation, the degree of proximity between the respective goods and services, and the economic and commercial significance of the use for that product of the sign which was similar to the mark.

183. Of course, I have found that D1's ICE Logo is invalid as its use could have been prevented by the law of passing off at the time that D1 started to use it in the UK. As Mr Daniel Alexander KC explains at [45] of *Planetart LLC v Photobox Ltd* [2020] EWHC 713, quoted by Mr Caddick KC at [111] of *OATLY UK Limited v Glebe Farm Foods Limited* [2021] EWHC 2189 (IPEC) which C relies on, cases in which due cause is in issue "*are highly fact dependent but the court should seek a proportionate response. The greater the intrusion into the trade mark proprietor's legitimate interests in the ways that the law seeks to protect against, the stronger will need to be the defendant's justification for nonetheless using the sign in question*".

184. The Defendants submit that given D1's lengthy use of D1's ICE Logo in the UK, use of D1's ICE Robotics Mark and D1's ICE Cobotics Mark which simply add descriptive terms to an existing distinctive mark would also be with due cause.

185. I am not with the Defendants. When we look at how D1's 2020 Trade Marks have been accepted by the relevant public, upon their launch at

Interclean, three trade professionals contacted C to express their concern and confusion. I can and do draw the inference that not everyone who was confused would have contacted C, and so it is likely that confusion was wider-spread. In terms of the reputation of D1's 2020 Trade Marks, the Defendants rely on the reputation of D1's 2015 Trade Marks. Undoubtedly those did accrue goodwill in the UK as a result of the use made of them since June 2014, but that goodwill was accrued by trade which I have found amounted to passing off of C's ICE Sign and C's ICE Logo. That represents a significant intrusion into C's legitimate interests in ways which the law seeks to protect against, per *Planetart*. In relation to the economic and commercial significance of the use of D1's ICE Logo, the Defendants' arguments about the strength of this point are significantly undermined, in my judgment, by (i) Mr Killi requesting the ICE Group in China to provide him with machines stripped of the ICE Group branding, so that it could be sold by reference to the full company name; (ii) the ICE Group in China acceding to that request and supplying such machines in at least September - November 2019, on Mr Killi's evidence; and (iii) the Defendants on Mr Schless's own evidence discussing the possibility of adding "Intelligent" or "Intelligent Cleaning" to their product line to distinguish their products from those of C's in the morning meeting in Las Vegas in November 2019 (and C's case is that they went further than that). I have also made clear findings about the close degree of proximity between the specification of goods for which D1's 2020 Trade Marks are registered and services for which C's Trade Marks are registered.

186. Taking all of this into account, I reject the Defendants' submissions. I am satisfied that D1 applied for, and the Defendants have used or intend to use, D1's 2020 Trade Marks without due cause.
187. For those reasons, the invalidation claim for D1's 2020 Trade Marks also succeeds under sections 47(2)(a) and 5(3) TMA.

***Sections 47(2)(b) and 5(4)(a) TMA – use liable to be prevented by Passing Off***

188. As I have found that D1's 2020 Trade Marks are invalid pursuant to section 5(2) and 5(3) TMA, I do not need to go on to determine this point. However, in case I am wrong on invalidity, I will deal with it.

*Goodwill*

189. I found that C had accrued a substantial and actionable goodwill in C's ICE Logo by June 2014. I am satisfied that since that date, D has carried out further substantial trade which accrued further substantial goodwill to C's ICE Sign and C's ICE Logo, including in relation to the very successful launch in March 2017 of C's On Demand machines, the sale and rental and maintenance of which by 2020 made up the majority of C's business. Accordingly I am satisfied that by 18 May 2020 the goodwill or reputation in C's ICE Logo was commensurately stronger.

*Misrepresentation*

190. I have also found a high or very high degree of similarity between C's ICE Logo and D1's 2020 Trade Marks, and I am satisfied there is a very high degree of similarity between the goods and services for which C accrued goodwill under and by reference to those marks, such that I am satisfied that a substantial number of C's customers or potential customers would be deceived into thinking D1's goods were those of C, or a connected undertaking. It would be difficult for the Defendants to argue otherwise, given that they submit (albeit in relation to their attack on the validity of C's Trade Marks) that there is bound to be a likelihood of confusion between C's ICE Logo and C's ICE Co-botics Logo on the one hand and D1's Word Mark on the other.
191. This is particularly so given Mr Killi's evidence that the very first trade stand he populated with the ICE Group machines after taking over as exclusive UK distributor of ICE Group products in 2019 caused such confusion with some customers who attended the stand that he immediately contacted the ICE Group to say that he did not think he should sell those products under the sign ICE, and asked for them to be relabelled as Intelligent Cleaning Equipment instead. That is actual confusion and I am concerned with notional fair use, but that example of

actual confusion informs my view of the likely effect on potential customers of notional fair use of D1's 2020 Trade Marks which are very similar to D1's ICE Logo. I do not consider that the addition of ""COBOTICS" and "ROBOTICS" to D1's ICE Logo would be likely to make any significant difference to that likely deception.

*Damage*

192. In terms of damage, I am satisfied that the likely deception would have a real effect on C's trade and damage C's goodwill. As Ms Messenger submits, it is well established that when misrepresentation and goodwill is proved, the likelihood of damage flows from that. Mr St. Ville submits that there is no evidence of actual damage, but once again, I am considering notional fair use at the relevant date.
193. Ms Messenger reminds me that Killis was only appointed in 2019, its first trade show showcasing ICE Group products caused Mr Killi concern as I have set out so that products were sent to the UK from China with the branding stripped off in September, October and November 2019 (and C noticed that in the marketplace), and by early 2020 everything shut down as a result of the Covid-19 pandemic. Mr Killi's witness statement shows that Killis bought c. £354,000 of ICE Group products in 2019 and c. £3,516 in 2020, an almost total cessation of that business. It is not until 2021 that he began purchasing again and fully branded ICE Group products returned to the UK.

*Conclusion on Ss 47(2)(b) and 5(4)(a) TMA*

194. For all those reasons, C has satisfied me of its case of invalidity of D1's 2020 Trade Marks under sections 47(2) and 5(4)(a) TMA, as I am satisfied that across the full specification, they are liable to be prevented by virtue of the law of passing off.

***Ss 47(1) and 3(6)TMA – Bad Faith***

195. I have set out the requirements for a finding of bad faith under section 3(6) TMA from *Red Bull*. This must be assessed at the application date.

196. Ms Messenger submits that the following circumstances known to D1 at the date it applied to register D1's 2020 Trade Marks mean that, taken as a whole, in making those applications D1's conduct fell below the standards of honest commercial practices:
- i) D1's awareness that C was using the signs ICE and C's ICE Logo and that C had registered either or both of C's Trade Marks;
  - ii) D1's awareness that C was challenging the validity of D1's 2015 Trade Marks and contended that the use of the sign ICE infringed its rights; and
  - iii) That D1 had been explicitly informed by Mr Marston by email after the Las Vegas meeting that C's intention to protect its ICE brand included the field of robotics.
197. Mr St. Ville for the Defendants merely submits in his skeleton that no facts have been provided that can realistically be advanced to raise a claim of bad faith against D1 in relation to D1's 2020 Trade Marks, and he did not address the facts relied on by C set out above.
198. I am satisfied of all of the facts relied on by C, save that I do not believe I have evidence that on 18 May 2020 the D1 knew that C had applied for C's ICE Co-Botics Logo on 24 January 2020, and so I am not satisfied of that on the balance of probabilities. It is not disputed that it knew of the registration of C's ICE Logo by this time. I also consider as being relevant, proven facts the warnings about use of the brand ICE that D1 was given by its UK distributors by way of Mr Elmore in October 2014 and Mr Killi in 2019.
199. I remind myself that D1 is presumed to have acted in good faith unless the contrary is proved to the civil standard, and that requires cogent evidence. The first question I ask myself is whether the facts relied on by C which I have found to have been proved, in the context of the warnings I have referred to, are consistent with good faith, taking into account all of the circumstances of the case. I do not believe that they are. I consider that D1's conduct in the light of its knowledge of these facts and warnings

amounts to dealings which fall short of the standards of acceptable commercial behaviour observed by a reasonable person with experience of these matters.

200. For those reasons I find that D1 applied for D1's 2020 Trade Marks in bad faith.

### **Issue 5 – Infringement of C's Trade Marks**

201. At trial C pursued its infringement claims against Killis, D3 and D1. It does not pursue D2, which it accepts is a dormant company.

#### ***Infringement by Killis***

202. Killis admits the acts complained of, set out at paragraph 9 above, have been carried out by it in the UK since it was appointed an exclusive distributor in 2019. The pleaded defences to infringement summarised above at paragraph 12 (i) to (iii) (invalidity of C's Trade Marks, section 11(1) TMA and/or section 11(1A) TMA and section 48(1) TMA) and paragraph 12 (vii) (due cause) have not succeeded.
203. Killis argues that in respect of section 10(2) TMA infringement, there is no likelihood of confusion as a result of the circumstances of the case, and in respect of 10(3) infringement that use of the signs complained of do not take unfair advantage of, and are not detrimental to, the distinctive character or repute of C's Trade Marks.

#### *s.10.2 Likelihood of confusion*

204. *Comic Enterprises* sets out six conditions necessary for s10(2) infringement. There is no dispute about (i) to (iii) (use of a sign by Killis within the UK, in the course of trade, without consent of the proprietor) and I have also addressed similarity of D1's ICE Sign, D1's ICE Logo and D1's 2020 Trade Marks to C's ICE Logo, and of the goods and services, which satisfies conditions (iv) and (v).
205. Condition (vi) is that use of the sign must give rise to a likelihood of confusion. I am satisfied of the likelihood of confusion on the part of the public in relation to Killis's use since I have Mr Killi's evidence of actual

confusion in the minds of his customers in 2019 arising from use of D1's ICE Sign and D1's ICE Logo when he first took over the distributorship, which caused him to ask D1 to strip its branding off products supplied to him. This appears to have been direct confusion, where consumers mistook D1's marks for those of C.

206. In addition, the likelihood of confusion on the part of the public includes the likelihood of association of Killis's use with C's Trade Marks. I am satisfied that consumers aware of C's ICE Logo would clearly call that mark to mind if they were presented with D1's ICE Sign, D1's ICE Logo and D1's 2020 Trade Marks, as that is exactly what happened when C's customers and contacts saw the ICE Group stand at the 2022 Interclean show. The use of D1's 2020 Trade Marks called C's ICE Logo to mind to the extent that they were directly confused that the stand was that of C, and went there looking to talk to Mr Bresnihan, Mr Marston and their teams.

207. For those reasons C's claim of section 10(2) trade mark infringement by Killis is made out.

*s.10(3) Unfair advantage or detriment*

208. Both *Comic Enterprises* (relied on by C) and *Enterprise Holdings v Europcar Group* [2015] FSR 22 at [119] (relied on by the Defendants), set out nine conditions for section 10(3) infringement to be satisfied.

209. I have already found in relation to goodwill that C's ICE Logo had a reputation in the UK by 2014 and that this was stronger by 2020. This satisfies condition (i). There is no dispute about conditions (ii), (iii) and (iv) (use of a sign by a third party within the relevant territory, the use must be in the course of trade, and it must be without the consent of the proprietor of the trade mark). As stated, I have addressed similarity of D1's ICE Sign, D1's ICE Logo and D1's 2020 Trade Marks to C's ICE Logo, and of the goods and services, which satisfies conditions (v) and (vi).

210. Condition (vii) is that it must give rise to a 'link' between the sign and the trade mark in the mind of the average consumer. For the reasons I have

just given in respect of section 10(2) TMA infringement, I am satisfied that this condition is met.

211. Condition (viii) is that it must give rise to one of three types of injury – detriment to the distinctive character or to the repute of the trade mark or unfair advantage being taken of the distinctive character or repute of the trade mark. For all the reasons which I have already explored, I am satisfied on the balance of probabilities that consumers calling a link to C’s ICE Logo to mind by use of D1’s ICE Sign, D1’s ICE Logo and D1’s 2020 Trade Marks would lessen the ability of C’s ICE Logo to distinguish C and its goods and services from those of others in the minds of members of the relevant consumers, both being detrimental to the distinctive character of the mark, or diluting it, and taking unfair advantage of C’s ICE Logo. For the same reasons as previously given, I am satisfied that there is no due cause, so condition (ix) is satisfied.
212. Ms Messenger submits that to the extent that Killis has not yet used D1’s ICE Robotics and/or Cobotics marks in the UK as alleged, then the infringement claim should succeed on a *quia timet* basis, as by registering those marks in the UK D1 has shown a clear intention to use them, and it will do so through its exclusive distributor, Killis. I accept that submission. Those marks have already been used, *inter alia* out of the UK at an event which it is known that UK customers attend (Interclean 2022), and Mr Schless confirmed the ICE Group’s intention to use them in the UK in his evidence.

### **Infringement by D3**

213. As Mr Killi has explained in his evidence, D3 is the parent company of Killis and he describes it as a passive holding company. However, it had previously operated the distribution business which is now operated through Killis, until the end of its financial year on 31 March 2019. After this date, Killis took over and D3 ceased to trade. I accept this evidence, as I have nothing to gainsay it.
214. The exclusive distribution agreement between the ICE Group and Killis was, therefore, actually entered into with D3 on 1 March 2019, and D3

placed its first purchase order on 4 March 2019 for three containers of ICE branded cleaning equipment from the ICE Group production factory in Guangdong, China. It is not clear from that witness statement, and this was not really explored by Ms Messenger in cross-examination, whether the products resulting from that order were imported by D3 before 31 March 2019, or after, by which time Killis had taken over the distribution business. It is for C to satisfy me that D3 carried out any of the acts of infringement and they have not done so on to the civil standard. It seems to me more likely than not that by the time the 4 March 2019 order was fulfilled and the goods were ready to be imported into the UK, Killis was the entity which imported and then offered for sale or rent and sold or rented those products.

215. In terms of pursuing D3 on a *quia timet* basis, there is no evidence before me that D3 is likely to take on a trading role again. It fulfils a parent company role to Killis and at least one other group company.

216. For those reasons I dismiss the infringement claim against D3.

### ***Infringement by D1***

217. D1 does not admit the acts complained of, and avers that it has not carried out such acts as it has not been involved in the trade in the UK of the ICE Group products.

218. C's primary case is that D1 is primarily liable for infringement by the acts complained of. Alternatively, it pursues D1 as a joint tortfeasor with Killis by common design, per *Fish & Fish v Sea Shepherd UK* [2015] AC 1229.

### ***Primary infringement***

219. Mr St. Ville for the Defendants criticises C for pleading that D1 has been offering for sale, selling, offering for rent, renting and/or importing ICE Group products in the UK when, he submits, that clearly is not the case. However, in their arguments about statutory acquiescence, the Defendants argue that they are entitled to rely on that defence as a result of D1 having made continuous use of D1's ICE Sign in the UK since 2013, and in D1's arguments about having due cause to register D1's 2020 Trade

Marks, the Defendants submit that it has such due cause because of D1's lengthy use of D1's ICE Logo in the UK since 2013. As Ms Messenger pointed out in both opening and closing submissions, this is a tension which is difficult to reconcile.

220. Nonetheless, I need to look at the actual pleaded case in infringement, as Mr St. Ville submits and as I have summarised in paragraph 9 of this judgment, and I am not satisfied that D1 has carried out those acts. They have all been carried out by Killis since 2019 and prior to that by WCS from 2013 – 2019 as exclusive distributor, or by sub-distributors such as Rokserve. It is Killis and WCS who were the importers of ICE Group branded products into the UK, as is clear from the invoices for product which provide for sale ex-works, it is Killis and WCS or sub-distributors who offered them for sale or rent and sold or rented them.
221. In relation to the pleaded case that D1 intends imminently to carry out such acts by reference to D1's 2020 Trade Marks, the Defendants evidence is that the intention was that Killis would again carry out such acts in the UK, not D1. Accordingly the primary infringement claim against D1 does not succeed.

*Joint tortfeasorship*

222. In *Sea Shepherd*, the Supreme Court considered the relevant law in relation to joint tortfeasorship by common design. The Justices were agreed on the underlying principles which Lord Neuberger formulated as follows at [55]:

“... three conditions must be satisfied. First, the defendant must have assisted the commission of an act by the primary tortfeasor; secondly, the assistance must have been pursuant to a common design on the part of the defendant and the primary tortfeasor that the act be committed; and, thirdly, the act must constitute a tort as against the claimant.”

223. There is no dispute about the third condition so I will focus on the first two.

224. C submits that D1 is liable for any acts that Killis is found liable for as (i) it is the registered proprietor of D1's 2015 Trade Marks and D1's 2020 Trade Marks who has authorised Killis to use its marks in the UK pursuant to an exclusive distributorship agreement; and (ii) it assisted with the acts of Killis which I have found to infringe C's rights in a more than de minimis way and pursuant to a common design.
225. Ms Messenger submits that at the least, D1's acceptance of long use of D1's ICE Logo (in its arguments about acquiescence and due cause) is an admission that it has authorised the acts of Killis in the UK which I have found to be infringing.
226. Mr St. Ville submits for the Defendants that merely owning a trade mark in the UK and selling products from abroad to those who import them and distribute them in the UK is not sufficient for joint tortfeasorship. He further submits that the first question in *Sea Shepherd* is to identify the acts by which the defendant is said to have assisted in or furthered the commission of the tort, i.e. Killis's trade mark infringements, but C has not identified the acts by which D1 is said to have provided this assistance. He asks me to dismiss the infringement claims against D1.
227. I accept Mr St. Ville's first submission for the Defendants. There must be something more than D1 selling products from China for importation into and distribution/sale in the UK, even though it is the proprietor of the mark. However in this case, I am satisfied that there is something more. As C submits, there is an exclusive distribution agreement pursuant to which Killis has carried out its acts which I have found to be infringing.
228. This exclusive distribution agreement was entered into by D1 *after* WCS, its previous exclusive distributor, had raised concerns that its activities might amount to infringement of C's ICE Logo or C's ICE Sign; *after* C in July 2014 raised those concerns directly with D1 (and within a month of the date that I have found WCS offered ICE Group products to the public) so that D1 knew C was using C's ICE Sign and C's ICE Logo; *after* Mr Elmore of WCS told D1 that he was promoting ICE Group products by reference to D1's full company name in October 2014; and *after* D1 knew that D1 had applied for and registered D1's ICE Logo. By entering into

the exclusive distribution with this weight of knowledge I am satisfied that D1 was acting in a way which assisted Killis in the commission of its infringements, and that assistance was part of a common design with originally D3, but almost immediately Killis, to sell the ICE Group's products into the UK despite the knowledge of the risk of Killis infringing C's rights if it did so.

229. The fact that D1 and Killis were acting in common design becomes clearer when considered against the context of what happened after that. Mr Killi raised concerns almost immediately, and asked for ICE Group products stripped of branding to sell. D1 agreed, and supplied those. There was then discussion and agreement between Mr Killi on the one hand and Mr Schless of the ICE Group and Mr Chen of D1 on the other where that decision was reversed, and they decided, as was Mr Schless's evidence, that they would resist C's threats of legal proceedings, and would not stop using D1's 2015 ICE Marks. That is clear evidence of D1 and Killis working together in a common design to further Killis's infringement of C's ICE Logo and C's ICE Sign, in my judgment, and they did so pursuant to the relationship of manufacturer and exclusive distributor put in place by the distribution agreement. That common design continued with the decision that D1 would apply for D1's 2020 Trade Marks, in bad faith as I have found, with the intention of applying them on products to be promoted, offered for sale and sold in the UK by Killis pursuant to the exclusive distribution agreement, despite the clear warning given to both of them by C in Las Vegas that it would protect its ICE Sign in the field of robotics.

230. For those reasons, I am satisfied that D1 is jointly liable with Killis for Killis's trade mark infringements as already found.

### **Passing-off**

231. This judgment is too long already. Given the determinations that I have made so far, I do not find it necessary to go on to determine such of the passing-off case as remains.

## **SUMMARY**

232. To summarise:

- i) C's claim for invalidity of D1's 2015 Trade Marks succeeds.
- ii) C's claim for invalidity of D1's 2020 Trade Marks succeeds.
- iii) C's claim for infringement of C's ICE Logo and C's ICE Co-botics Logo by Killis succeeds.
- iv) C's claim for infringement of C's ICE Logo and C's ICE Co-botics Logo by D3 is dismissed.
- v) D1 is liable for infringement of C's ICE Logo and C's ICE Co-botics Logo as a joint tortfeasor with Killis, but not as a primary tortfeasor.
- vi) D1's counterclaims for invalidity of C's Trade Marks are dismissed.
- vii) D1's counterclaim for infringement of D1's ICE Logo is dismissed.

## Schedule – List of Issues

### Claim

1. Passing off
  - (1) Relevant date
  - (2) Goodwill
  - (3) Misrepresentation
  
  - (4) Damage
2. Statutory Acquiescence – s.48 TM Act 1994 and art.61 EU TM Reg 2017
3. Validity of D1’s 2015 Trade Marks – UK Comparable Mark 801 256 685 (‘D1’s ICE Word Mark’) and UK Comparable Mark 801 260 671 (‘D1’s ICE Logo’)
  - (1) s.5(4)(a) – *Passing off* – (i) relevant date, (ii) goodwill, (iii) misrepresentation, (iv) damage, (v) discretion to grant injunction
  
  - (2) s.48 and art.61 – *Statutory acquiescence*
  
  - (3) s.3(6) – *Bad faith*
4. Validity of D1’s 2020 Trade Marks – UK Comparable Mark 918 241 028 (‘D1’s ICE Robotics Logo’) and UK Comparable Mark 918 241 024 (‘D1’s ICE Cobotics Logo’)
  - (1) *Relevant date*
  
  - (2) s.5(2) – *Likelihood of confusion* – (i) similarity of sign/mark, (ii) similarity of goods/ services, (iii) likelihood of confusion with UKTM 3 133 022 (‘C’s ICE Logo’) and UKTM 3 460 809 (‘C’s ICE Co-Botics Logo’)
  
  - (3) s.5(3) – *Unfair advantage or detriment* – (i) reputation, (ii) similarity of sign/mark, (iii) unfair advantage of distinctive character or repute, (iv) detriment to distinctive character, (v) due cause
  
  - (4) s.5(4)(a) – *Passing off*- (i) relevant date, (ii) goodwill, (iii) misrepresentation, (iv) damage, (v) discretion to grant injunction
  
  - (5) s.3(6) – *Bad faith*
5. Infringement of C’s trade mark – UKTM 3 133 022 (‘C’s ICE Logo’) and UKTM 3 460 809 (‘C’s ICE Co-Botics Logo’)
  - (1) *Relevant date*
  
  - (2) s.10(2) – *Likelihood of confusion* for (a) to (d) – (i) similarity of sign/mark, (ii) similarity of goods/ services, (iii) likelihood of confusion

(3) s.10(3) – *Unfair advantage or detriment* for (a) to (d) – (i) reputation, (ii) similarity of sign/mark, (iii) unfair advantage of distinctive character or repute, (iv) detriment to distinctive character, (v) due cause

(4) ss. 11, 48, art.61 – Statutory acquiescence and limits on effects effect if C's marks

#### 6. Accused acts of D1 to D4 and joint tortfeasance

(1) *Accused acts* – whether D1 and/or D2 and/or D3 have been offering for sale and/or selling and/or offering for rent and/or renting and/or importing products using:

(a) D1's ICE Word Mark,

(b) D1's ICE Logo,

(c) D1's ICE Robotics Logo,

(d) D1's ICE Cobotics Logo

(2) *Quia timet claim against D2* – whether it can be inferred D2 intends to do above acts such that C is entitled to an injunction against it on a quia timet basis

(3) *Common design* – whether D1 and/or D2 have acted pursuant to a common design with D3 and/or D4 such that they are liable as joint tortfeasors

### ***Counterclaim***

#### 7. Validity of C's ICE Logo and C's ICE Co-Botics Logo marks

(1) s.5(2) – *Likelihood of confusion* – (i) similarity of sign/mark, (ii) similarity of goods/services, (iii) likelihood of confusion with D1's ICE Word Mark

(2) s.3(6) – *Bad faith*

#### 8. Infringement of D1's trade marks

(1) s.10(1) – *Double identity infringement* of D1's ICE Word Mark – (i) identity of sign/mark, (ii) identity of goods/services, (iii) effect on function of the mark

(2) s.10(2) – *Likelihood of confusion* – (i) similarity of sign/mark, (ii) similarity of goods/services, (iii) likelihood of confusion with D1's ICE Word Mark