

crest

Neutral Citation Number: [2021] EWHC 3296 (IPEC).

Claim No. IL-2020-LIV-000001

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

**Judgment handed down by email**

**Date: 8 December 2021**

**Before:**

**MR NICHOLAS CADDICK Q.C.**  
**(sitting as a Deputy High Court Judge)**

**B E T W E E N:**

**EQUISAFETY LIMITED**

**Claimant**

**-and-**

- (1) BATTLE, HAYWARD AND BOWER, LIMITED**  
**(2) RICHARD MICHAEL DEWEY**

**Defendants**

-----  
**DANIEL SELMI** (instructed by **Bermans**) for the Claimant  
**SAM CARTER** (instructed by **Sills & Betteridge LLP**) for the Defendants

-----  
Hearing date: 20<sup>th</sup> October 2021  
-----

**JUDGMENT**

**Nicholas Caddick Q.C. (sitting as a Deputy High Court Judge):**

**Introduction**

1. This is an action for infringement of a UK registered trade mark and for passing off. It concerns the mark “mercury” used in relation to certain high visibility equestrian products.
2. The Claimant company (“Equisafety”) designs, manufactures and sells high visibility products which help promote the safety of horses and their riders when on the road. Its case is that, in around February 2015, it started selling a high visibility jacket under the mark “mercury” and that, shortly afterwards, it expanded its use of that mark to high visibility rugs for horses and dogs and high visibility leg boots for horses. It says that, as a result of its activities, it acquired goodwill in the mark.
3. The First Defendant (“Battle”) is involved in the manufacture and sale of (inter alia) equestrian products. It sells predominantly to trade customers (its stockists) through its websites at [www.battles.co.uk](http://www.battles.co.uk) and [www.hy-equestrian.com](http://www.hy-equestrian.com). Non-trade customers can also look at those websites to identify stockists from whom they can acquire Battle’s products. The stockists themselves may also advertise Battle's products which they are looking to sell on.
4. At some point, Battle started selling various products (a mobile phone holder, a gilet and a jacket) under the label “HyVIZ Silva Mercury Reflective” (the “HVSMR” label). For present purposes, the precise date when this happened is not particularly material, although the documents suggest that it was in late 2018 rather than in February 2019, as suggested in Battle’s Skeleton Argument for the trial. Battle’s activities came to Equisafety’s attention at some point in 2019 (again, the precise date is not material) and, on 6 June, Ms Fletcher emailed Battle demanding that it stop such use. On the following day, 7 June 2019, Equisafety applied to register the word “mercury” as a UK trade mark. The registration was duly made on 25 October 2019 as trade mark No. 3405069 in respect of the following goods:

“Class 9

*Helmets for bicycles;Helmets (Protective -);Helmets (Protective -) for sports;Helmets (Riding -);Protection devices for personal use against accidents;Protection helmets for sports;Protection masks;Protective caps for cameras;Protective clothing;Protective clothing [body armour];Protective eyeglasses;Protective eyewear;Protective face-shields for protective helmets;Protective headgear;Protective headgear for the prevention of accident or injury;Protective helmets;Protective helmets for sports;Protective work clothing [for protection against accident or injury];Reflecting strips for wear;Reflective clothing for the prevention of accidents;Riding hats;Riding helmets;Safety clothing for protection against accident or injury; Safety gloves for protection against accident or injury;Safety goggles;Safety headgear;Security cameras;Ski clothing for protection against injury;Sports eyewear;Sports (Protective helmets for -);Fences*

*(Electrified -); none of the aforesaid goods being footwear.*

*Class 18*

*All equine, Leg boots, exercise rugs, tail guards, neck bands, nose bands.*

*Class 25*

*Clothing excluding footwear.”*

1. Battle did not respond to Ms Fletcher’s email of 6 June or to her subsequent communications of 12 June and 19 June 2019. Instead, as appears from a screenshot of its website taken on 9<sup>th</sup> September 2019, it continued to sell equestrian products under the HVSMR label and, indeed, to expand the range of such products to include a bridle, hat band, leg band and tail band.
2. Having become aware of this, Ms Fletcher issued proceedings on 30 October 2019. She did so initially in her own name and in the small claims court. In March 2020, the case was transferred to the Intellectual Property Enterprise Court and the Claim Form was amended to substitute Equisafety as the claimant. Its claim is that Battle’s activities amounted to passing off and, insofar as they occurred after 7 June 2019, to infringements of the Mercury trade mark under each of s.10(1), 10(2) and 10(3) of the Trade Marks Act 1994. The Defendants deny this and counterclaim for a declaration that the mark is invalid under s.47(1) of the Trade Marks Act 1994 because it had been registered in breach of s.3(1)(b), s.3(1)(c), s.3(1)(d) and/or s.3(6) of that Act (i.e. that the word “Mercury” was devoid of distinctiveness, was descriptive, had become customary and/or had been registered in bad faith).
3. Battle says that it has ceased using the word “mercury” and, indeed, in its Amended Defence has provided undertakings to this effect. However, as it did not admit liability for its past acts and as Equisafety points to some subsequent instances of use of the HVSMR label, the action has continued.
4. The Second Defendant (“Mr Dewey”) is Battle’s managing director and a shareholder in it. There is an issue, to which I will return, as to the extent to which he controls its activities and, in particular, whether he is liable as a joint tortfeasor in respect of the activities about which complaint is made in this action.

### **The witnesses**

*Nicola Fletcher*

1. Equisafety relied on the evidence of Nicola Fletcher, its sole shareholder and director. A number of criticisms were made of her as a witness. One was that she had set out to deceive people by causing Equisafety to make and sell a range of high visibility products using the word “POLITE” in a way that resembled a “POLICE” sign. I reject this criticism. I cannot see that this involves any meaningful deception of anyone or that it is of any relevance to this case. As Ms Fletcher said, such products simply cause drivers to reduce speed – thereby protecting horses, riders and, indeed, drivers and there was no evidence to suggest that the police have any concerns about these products. Another

criticism of Ms Fletcher was that she caused Equisafety to apply for a trade mark in respect of goods which it had no intention of selling. I will deal with this when addressing the bad faith issue but I do not see it as a reason to doubt her evidence. Yet another criticism was that Ms Fletcher had written to Battle's customers asserting that Battle had admitted infringement of the Mercury trade mark when, in fact, it had simply agreed to stop using the Mercury sign without any admission of liability. Whilst I accept Ms Fletcher's evidence that she had genuinely thought that Battle was admitting liability, it does seem to me that this reflects a tendency in Ms Fletcher to be rather single minded in her views about Equisafety's rights. Despite this, I found her to be a good witness who was seeking to assist the court and who gave clear evidence with regard to matters within her knowledge. However, as will appear, there are occasions where I have felt unable to rely on assertions which she makes but which are unsupported by other evidence.

*Richard Dewey*

1. Mr Dewey gave evidence on behalf of himself and the Defendant. One criticism of his evidence was that he claimed not to have first-hand knowledge of important matters (such as why Battle had adopted the word mercury). I will return to the significance of this later. Another criticism was that his statement contained material (especially as regards the allegation of bad faith) that was more in the nature of submissions drafted by his lawyers than of evidence of facts known to him. Again, I have borne these matters in mind where relevant, but I do not see them as reasons to doubt Mr Dewey's evidence on matters within his knowledge and I find that he too was an honest witness seeking to assist the court.

*Ruth Druce and Daniel Roberts*

1. The defendants also relied on the evidence of Ruth Druce (Battle's deputy office manager) and of Daniel Roberts (a digital marketing and e-commerce executive working on Battle's websites) with regard to steps taken by Battle to cease use of the word Mercury in the light of Ms Fletcher's complaints. Ms Druce and Mr Roberts were not cross examined and I am happy to accept the contents of their statements.

### **The issues**

1. Despite this being a one-day IPEC trial, there were multiple issues between the parties. The issues (often raising further sub-issues) were as follows:
  - a. Was Equisafety's "Mercury" mark invalid because it was devoid of any distinctive character, contrary to s.3(1)(b) of the Trade Marks Act 1994?
  - b. Was Equisafety's "Mercury" mark invalid because it was descriptive, contrary to s.3(1)(c) of the Trade Marks Act 1994?
  - c. Was Equisafety's "Mercury" mark invalid because the word had become customary, contrary to s.3(1)(d) of the Trade Marks Act 1994?
  - d. Was Equisafety's "Mercury" mark invalid because it was registered in bad faith, contrary to s.3(6) of the Trade Marks Act 1994?
  - e. Did Battle's actions constitute an infringement of the Mercury trade mark within

the meaning of s.10(1) of the Trade Marks Act 1994?

- f. Did Battle's actions constitute an infringement of the Mercury trade mark within the meaning of s.10(2) of the Trade Marks Act 1994?
- g. Did Battle's actions constitute an infringement of the Mercury trade mark within the meaning of s.10(3) of the Trade Marks Act 1994?
- h. Does Battle have a defence to the infringement claims by reason of s.11(2) of the Trade Marks Act 1994?
- i. Did Battle's actions constitute passing off?
- j. Is Mr Dewey liable as a joint tortfeasor for the actions of Battle?

### **The trade mark issues – general points**

1. Before dealing with these issues, it is worth making a few general points with regard to trade mark law.

#### Relevance of EU law

1. First, notwithstanding the UK's withdrawal from the European Union, European law and the decisions of the European courts and, in particular, of the Court of Justice of the European Union ("the CJEU") are of significance. This is because they remain part of retained EU law in the UK and because the relevant provisions of the UK's Trade Marks Act 1994 were enacted to give effect to EU Directive 89/104/EC (since replaced by Directive 2008/95/EC and now Directive (EU) 2015/2436) and are in substantively the same form as the equivalent provisions of Community Trade Mark Regulation (EC No.207/2009) and its successor, the European Union Trade Mark Regulation (EU No.2017/1001).

#### The average consumer

1. Second, many of the trade mark issues dealt with below require the court to assess the facts through the eye of the "average consumer". This is taken to be a person who is a consumer of the relevant goods and who is both (i) familiar with the trade mark and (ii) exposed to, and likely to rely upon, the sign. In effect, it "*includes any class of consumer to whom the guarantee of origin is directed and who would be likely to rely on it, for example in making a decision to buy or use the goods...*" (see *Sky plc & Ors v SkyKick UK Ltd & Anor* [2018] EWHC 155 at [274]-[275]). The average consumer is deemed to be reasonably well informed and reasonably circumspect and observant but the level of attention and care displayed by the average consumer may vary depending on the nature of the goods or services in question and how they acquire them (see Case C-342/97 *Lloyd Schuhfabrik Meyer v Kliysen Handel* [1999] ETMR 690 at [26]).
2. In my judgment, the average consumer in the present case could be either a lay consumer (or end user) of the relevant products (essentially a horse rider) or an equestrian retailer which buys such products to be sold on to lay consumers. A lay consumer will exercise an average degree of attention, whereas a retailer is likely to exercise a higher degree of attention.

### **Invalidity – section 3(1)**

1. The first, second and third issues are whether the Mercury mark was invalid for lack of distinctiveness and/or for being descriptive and/or for having become customary. In this regard, so far as relevant, s.3(1) of the Trade Mark Act 1994 provides that:

*“The following shall not be registered –*

- (a) ...
- (b) *trade marks which are devoid of any distinctive character.*
- (c) *trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services.*
- (d) *trade marks which consist exclusively of signs or indications which have become customary in the current language or in the bona fide and established practices of the trade:*

*Provided that a trade mark shall not be refused registration by virtue of paragraph (b), (c) or (d) above if, before the date of application for registration, it has in fact acquired a distinctive character as a result of the use made of it.”*

1. In the course of its submissions, Equisafety did not rely on the proviso to s.3(1). Accordingly, for present purposes I will proceed on the basis that the issues under s.3(1) are simply whether or not the trade mark mercury was distinctive, descriptive and/or had become customary.
2. Underlying s.3(1)(b) is the concept that, to be registrable, a trade mark must serve to identify the goods or services for which registration is sought as originating from a particular undertaking, and therefore to distinguish them from the goods or services of other undertakings (see Case C-265/09 P *OHIM v BORCO-Marken-Import Matthiesen GmbH & Co KG* at [31]). By contrast, what underlies s.3(1)(c) is the need to ensure that signs that are descriptive of the relevant goods or services (because they relate to one or more characteristics of those goods or services) remain free to be used by all traders who wish to offer such goods or services (see Case C-51/10P *Agencja Wydawnicza Technopol sp. z o.o. v OHIM* at [37]).
3. Whilst the two grounds of invalidity are independent and are capable of standing alone (see *Agencja Wydawnicza* at [33] and [46]), in the present case Battle’s case is that the mark mercury is descriptive (at least insofar as it is used for goods of a reflective high visibility nature) and to that extent is also not distinctive. Accordingly, the invalidity claims based on s.3(1)(b) and (c) can be considered together and turn on whether the mark mercury was or was not descriptive of some characteristic of the goods that were covered by the registration.

#### *Is the word mercury descriptive?*

1. A sign can be descriptive even if at the time of the application for registration it is not

actually in use in a way that is descriptive; it is sufficient that it could be used for such a purpose. Moreover, there does not need to be a real and current need to leave the sign free for use by others and a sign can be descriptive even if there are other, more usual, signs which can be used for designating the relevant characteristics of the relevant goods or services (see *Agencja Wydawnicza* at [38] and [39]). On the other hand, as the CJEU also noted in *Agencja Wydawnicza* at [50]:

*“The fact that the legislature chose to use the word ‘characteristic’ highlights the fact that the signs referred to in Article 7(1)(c) .... are merely those which serve to designate a property, easily recognisable by the relevant class of persons, of the goods or the services in respect of which registration is sought. As the Court has pointed out, a sign can be refused registration on the basis of Article 7(1)(c) ... only if it is reasonable to believe that it will actually be recognised by the relevant class of persons as a description of one of those characteristics...”*

1. A slightly different, possibly more restrictive, interpretation of the law as to when a sign might be regarded as descriptive appears in Case C-273/05 P *OHIM v Celltech R&D Ltd*. In that case, the CJEU upheld the Court of First Instance’s decision that a sign was not descriptive. In so doing, the CJEU does not appear to have disagreed with the lower court’s comments (which the CJEU quoted at [13]) that, for a sign to be descriptive, it must be such that:

*“the relevant public would immediately and without further reflection make a definite and direct association with the ... goods and services claimed and the meaning of [the relevant word mark]”*

and that this association:

*“... is such as to be immediately and unambiguously perceived...”*

1. In support of its claim that the word mercury is descriptive of the relevant goods, Battle relies on dictionary definitions of the word to the effect that it is a *“heavy, silver-white... metallic element... used in... reflecting surfaces of mirrors”* or a *“heavy, silver-coloured metal, liquid at normal temperature”*, and it points to the fact that Equisafety’s Mercury products are *“made of a silver-grey ‘mercury’ coloured, high-visibility reflective fabric”*. It also notes that Equisafety uses the word mercury in conjunction with other descriptive words (i.e. “reflective” and “hi-vis”) and argues that on occasions Equisafety and its customers have referred to the reflective fabric used by Equisafety in these products as “mercury fabric”. Finally, it points to a number of what it says are examples of the word being used by third parties to describe products made from high visibility or reflective material.
2. In my judgment, whether one applies the *Agencja Wydawnicza* test or the *Celltech* test, the evidence does not establish that the word mercury would be seen by the average consumer as being descriptive of reflective high visibility clothing, let alone as being descriptive of the wider class of goods for which the word is registered. It may be that the average consumer would be aware that mercury is a metallic substance and has the properties referred to in the above dictionary definitions. However, I do not accept that this means that the average consumer would easily recognise, let alone would

immediately and without further reflection, regard the use of the word mercury in the present case as being descriptive of any characteristic of the relevant goods. The goods are not made from mercury and the mere fact that mercury (the substance) has a silver-white appearance and can be used in reflective surfaces does not mean that products with that appearance or qualities are or are likely to be described as mercury products. Indeed, in an email dated 22nd April 2015 to Equisafety's Chinese manufacturers, Ms. Fletcher referred to "the Mercury gilet, it is made from reflective silver fabric". Similarly, in a packing list sent to Battle by its Chinese manufacturers and on the swing tags for Battle's HVSMR products, the colour of those products was described as "Reflective silver".

3. Further, in my judgment, the instances of the use (by Equisafety and by customers) of the phrase "Mercury fabric" (and I note that in most of these cases, the "M" is capitalised) are really instances where the word mercury is being used to identity the range or derivation of the fabric (i.e. the fabric used for products sold under the Mercury brand) rather than as a description of the appearance of that fabric. Accordingly, insofar as customers may have referred to "Mercury fabric", I accept Ms Fletcher's evidence that this was not a reference to the colour of the fabric but rather "because it was from the Mercury range".
4. A similar point is apparent from Equisafety's marketing materials dating from October 2016 where it offered (as part of its Charlotte Dujardin Collection) the following products

-

VOLTE WATERPROOF JACKET  
RENVER QUILTED JACKET  
MERCURY JACKET  
ARRET JACKET

The words volte, renver and arret are all terms used in dressage and are in no way descriptive of the jackets on offer. They are being used as brands. In my judgment, the word Mercury is being used in exactly the same way and would be taken as such by the average consumer.

1. The position is also similar as regards Battle's examples of third party uses of the word mercury. I note that these examples appear to date from 2020. If so, they post-date the application for registration and do not assist Battle's case. But, in any event, none of them shows use that is clearly descriptive and certainly none of them comes close to showing that the average consumer would have seen the word as descriptive when applied to high visibility reflective products. Indeed, several of Battle's examples seem to be of non-descriptive use. For example, so far as can be ascertained from the pictures in the trial bundle, the Mercury Trainer and the two Mercury Bridles on which Battle relies do not feature any reflective high visibility material<sup>1</sup> and for these products the word mercury appears to be used as a brand. In the case of the bridles, they have a "silver clincher curved brow band" but this is a purely decorative and not a high visibility reflective feature. In one case, the brow band is not even sold as part of the Mercury Bridle.
2. On the "HAZTEC" website on which Battle relies, there is a picture of a jacket made from high visibility reflective fabric and identified as a "HAZTEC Mercury Hi-Vis RIS



FR AS ARC Jacket”. However, immediately below that are four other products also made from such fabric and called the:

HAZTEC Mimas Hi-Vis RIS FR AS ARC Coverall,  
HAZTEC Boulton FR AS Hi-Visibility Waterproof Traffic Jacket,  
HAZTEC Minerva FR AS ARC Hi-Vis Rail Spec Trouser and  
HAZTEC Lavan FR AS Hi-Vis Sleeveless Waistcoat.

It seems clear that the words Mimas, Boulton, Minerva and Lavan are not here being used descriptively but are being used in a trade mark (brand) sense. In my judgment, an average consumer would regard the use of the word “Mercury” in this context in exactly the same way. The same can be said about the products shown on the PPE Suppliers website on which Battle relied.

1. A point made by Mr Selmi for Equisafety was that the reference to Mercury could just as well be taken as a reference to the Roman god Mercury or to the planet Mercury. On this basis he argued (relying on comments of the Court of First Instance in *Celltech* at [39]) that the word had “*many possible areas of use*” and could not, therefore, be held to be used here in a descriptive sense. I am not convinced that this is correct. It seems to me that on the law as summarised in *Agencja Wydawnicza*, the fact that a word has different uses would not of itself prevent the average consumer concluding that it was being used in a descriptive sense. However, I can see that it does suggest that the average consumer is less likely to make an immediate and unambiguous association between the word and the reflective silver grey characteristics of the product in question or to “easily recognise” its use in that context as being descriptive.

*Is use of the word mercury customary?*

1. Turning to the invalidity claim based on s.3(1)(d), the issue here is whether, at the time of the application, the word mercury had “*become customary in the current language or in the bona fide and established practises of the trade to designate goods or services in respect of which registration of that mark is sought*” - see for example, Case C-342/97, *Lloyd Schuhfabrik Meyer v Klijsen Handel BV* at [23].
2. The evidence relied on by Battle in support of its claim under s.3(1)(d) was the same as that relied on in support of its claims under s.3(1)(b) and s.3(1)(c). As mentioned above, the evidence of third party use of the word mercury appears to post-date the registration but even leaving that aside, whilst some (but not all) of that evidence shows use of the word mercury in relation to high visibility reflective products, it does not come anywhere close to discharging the burden on Battle to establish that that word had become customary in the sense explained in *Lloyd Schuhfabrik*. Indeed, if the word mercury was customarily used in respect of reflective high visibility clothing, it begs the question why the operators of the PPE Suppliers and Haztec websites, having used the word for one item of high visibility clothing, did not then use it for other high visibility clothing products on those same websites (such as the Mimas, Boulton, Minerva and Lavan products referred to above). Further, as I have already noted, both Equisafety and Battle referred to the colour of the garments as being reflective silver and not as being “mercury” and the same is true of the Amazon website where it advertises Battle’s

HVSMR gilet (see Appendix 5 to the Re-Amended Particulars of Claim).

3. For these reasons, I reject Battle's claim that the mark was invalid for being registered contrary to s.3(1) of the Trade Marks Act 1994

**Invalidity - bad faith, s.3(6)**

1. Battle's next attack on the Mercury mark was that it is invalid because it was registered in bad faith, contrary to s.3(6) of the Trade Marks Act 1994. The law in this regard was reviewed in *Sky Ltd & Ors v Skykick UK Ltd* [2021] EWCA Civ 1121 where, at [67], Floyd LJ made the following comments:

*"3. The concept of bad faith presupposes the existence of a dishonest state of mind or intention, but dishonesty is to be understood in the context of trade mark law, i.e. the course of trade and having regard to the objectives of the law namely the establishment and functioning of the internal market, contributing to the system of undistorted competition in the Union, in which each undertaking must, in order to attract and retain customers by the quality of its goods or services, be able to have registered as trade marks signs which enable the consumer, without any possibility of confusion, to distinguish those goods or services from others which have a different origin: Lindt at [45]; Koton Magazacilik at [45].*

*4. The concept of bad faith, so understood, relates to a subjective motivation on the part of the trade mark applicant, namely a dishonest intention or other sinister motive. It involves conduct which departs from accepted standards of ethical behaviour or honest commercial and business practices: Hasbro at [41].*

*5. The date for assessment of bad faith is the time of filing the application: Lindt at [35].*

*6. It is for the party alleging bad faith to prove it: good faith is presumed until the contrary is proved: Pelikan at [21] and [40].*

...

*8. Whether the applicant was acting in bad faith must be the subject of an overall assessment, taking into account all the factors relevant to the particular case: Lindt at [37].*

*9. For that purpose it is necessary to examine the applicant's intention at the time the mark was filed, which is a subjective factor which must be determined by reference to the objective circumstances of the particular case: Lindt at [41] – [42].*

*10. Even where there exist objective indicia pointing towards bad faith, however, it cannot be excluded that the applicant's objective was in pursuit of a legitimate objective, such as excluding copyists: Lindt at [49].*

*11. Bad faith can be established even in cases where no third party is specifically targeted, if the applicant's intention was to obtain the mark for purposes other than those falling within the functions of a trade mark: Koton Magazacilik at [46].*

*12. It is relevant to consider the extent of the reputation enjoyed by the sign at the*

*time when the application was filed: the extent of that reputation may justify the applicant's interest in seeking wider legal protection for its sign: Lindt at [51] to [52]*

*13. Bad faith cannot be established solely on the basis of the size of the list of goods and services in the application for registration: Psytech at [88], Pelikan at [54].”*

1. The burden of establishing bad faith is therefore on Battle. In seeking to discharge this burden, Mr Carter pointed to the fact that Equisafety’s application for registration was filed on 7 June 2019, the day after it had written complaining about Battle’s use of the word mercury, and was made to enable it to bring trade mark proceedings against Battle. Whilst Mr Carter accepted that that of itself would not be objectionable, he submitted that it became bad faith here because Equisafety was using the word mercury descriptively and because such use had been “staggeringly inconsistent” and had not given it any unregistered rights in the word. In this regard, he pointed to the fact that Equisafety’s Mercury products had been marketed as part of its “NightRider” range and of its “Charlotte Dujardin Collection” but that there had never been a Mercury range as such. He also argued that the way in which Ms Fletcher had gone about asserting Equisafety’s interests had been overly assertive and misleading. Finally, he pointed to the fact that Equisafety’s application covered a wide range of goods including some in respect of which it had had no intention of using the mark.
2. In my judgment, the matters relied on by Battle (whether taken collectively or individually) do not come close to showing that Equisafety acted in bad faith.
3. As Mr Carter accepts, the mere fact that Equisafety made the application after finding out that Battle was selling goods under the HVSMR label would not of itself support a case of bad faith and the argument that it became bad faith because the mark was descriptive must fail in view of my findings above. Similarly, the argument that Equisafety had acted in bad faith because it had not then acquired any unregistered rights in the mark must also fail in view of my finding (see below) that Equisafety did have goodwill in and therefore unregistered rights in the Mercury mark. Nor do I accept that Ms Fletcher’s assertiveness in seeking to protect Equisafety’s interests, even to the point of making mistaken statements to Battle’s customers in the course of this litigation, shows that the application for registration was made in bad faith.
4. I should say that, even if it were found that the mark was descriptive or that Equisafety had not acquired unregistered rights in it at the time of the application, Equisafety was clearly making some use of the mark at the time. In that sense, its application would appear to be intended to obtain protection for a mark for purposes falling within the functions of a trade mark. Given this, I do not accept that the average consumer would see the application to register the mark as a departure from accepted standards of ethical behaviour or honest commercial and business practices. Further, given the existence of s.3(1)(b) and (c), there is no need to stretch the meaning of bad faith under s.3(6) to cover a situation where a person applies to register a mark that turns out to be descriptive.
5. As regards the bad faith argument based on the range of the goods covered by the registration, Ms Fletcher admitted that the registration under class 9 included some goods (e.g. “helmets for bicycles and “Fences (Electrified)”) in respect of which she had and

still has no intention to use the mark. However, it is clear from her evidence, that the registration also included goods under class 9 and class 18 for which Equisafety was using the mark, as well as classes of goods which, as she said in cross examination, it “*may well want to move into*”. This does not support a bad faith claim, particularly in the case of a registration that was made less than five years ago. As Sir Christopher Floyd said in *Skykick* at [116]:

*“116. An applicant for a trade mark does not have to formulate a commercial strategy for using the mark in relation to every species of goods or services falling within a general description. Such an applicant is entitled to say “I am using the mark for specific goods falling within description X. I have no idea precisely where my business in goods of that description will develop in the next 5 years, but there will undoubtedly be more such goods than there are now.” Such an applicant would always be forced to accept that there was no prospect whatsoever that it would use the mark for every variety of goods within the description. Such an applicant could not, however, be accused of bad faith in the light of its strategy for applying for protection of sufficient width to cover some further, as yet unformulated, goods within the same category. For this reason, I consider that the concession (see [102] above) that an applicant with but one item of computer software can apply in good faith for computer software as a whole to have been correctly made. It follows that the absence of a commercial rationale or strategy, if by that is meant a plan under which the mark is to be used for all goods or services within a category of the registration, is not relevant to the enquiry about bad faith.”*

1. Even if the application was made in bad faith in so far as it related to goods such as bicycle helmets and Fences (Electrified), it is clear from *Skykick* (see for example, at [108]-[109]), that that would not invalidate the application insofar as it related to goods such as the reflective products that Equisafety was selling at the time. As Equisafety’s infringement claim is based on that latter type of goods, the bad faith argument does not assist Battle.
2. I should say that, even as regards goods such as bicycle helmets and Fences (Electrified), it does not seem to me that the evidence is sufficient for me to conclude that the application was made in bad faith. As these goods were outside the scope of Battle’s activities, it does not appear that Equisafety’s motivation was to undermine Battle’s position. So, the allegation becomes simply one of too broad a specification of goods which is not sufficient to found a bad faith claim (see *SkyKick* at [67(13)] and [77]).
3. For all these reasons I reject Battle’s various claims that the trademark was invalid.

#### **Infringement – the acts said to infringe the trade mark**

1. Before dealing with the claims made under s.10(1) to (3) TMA 1994, it is worth identifying the particular acts which Equisafety alleges infringed its trade mark.
2. Equisafety’s pleaded case in this regard referred to “*advertising and selling on the Battle’s website an equine clothing range branded with ‘HyVIZ Silva Mercury Reflective’*” (i.e. with the HVSMR label). That range included a jacket, a gilet and a mobile phone holder as shown in screenshots from Battle’s website taken on 6 June 2019.

On these screenshots, the main “HyVIZ” name and the HyVIZ and Battle logos are clearly apparent and there are pictures of the relevant product identified as the “HyVIZ Silva Mercury Reflective [Jacket/Gilet/Phone Holder]” (as the case may be).<sup>2</sup> The range of products sold by Battle under the HVSMR label was later extended to include a bridle, a hat band, a leg band and a tail band. This is shown in a screenshot of the Battle's website taken on 9 September 2019 which displays the Battle brand and has individual pictures of the relevant products each of which is identified by its HyVIZ Silva Mercury Reflective label.<sup>3</sup> It also appears that products in Battle’s HVSMR range were packaged and/or bore swing tags with the following branding:

Text

Description automatically generated

1. On this basis, it is clear that, in general, Battle’s use of the word mercury was as part of the HVSMR label. There are, however, a few occasions when the word appears as part of the shorter label “Silva Mercury” as, for example, on the reverse side of some of the product packaging and in the Hy-Equestrian 2019 sales brochure which are included in exhibit RMD1 to Mr Dewey’s second witness statement.
2. There is no evidence of any use by Battle of the word mercury by itself in relation to these products.

#### **Infringement –s.10(1) Trade Marks Act 1994**

1. Equisafety claims that Battle’s actions described above amounted to an infringement of its trade mark under s.10(1) of the Trade Marks Act 1994. Section 10(1) states that:

*“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”.*
1. Battle denies liability under s.10(1) on the basis that its sign is not identical to the mark “Mercury”. I agree and I reject the s.10(1) claim.
2. There have been cases, such as *British Sugar Plc v James Robertson & Sons Ltd* (the “Treat” case), [1996] R.P.C. 281 and *Samuel Smith Old Brewery (Tadcaster) v Lee (t/a Crompton Brewery)* [2011] EWHC 1879 (Ch), in which it has been found that a word or image has been used as a sign in itself even where it has been used in conjunction with other words and/or images. However, in my judgment the present case is not such a case. In my judgment, in the eyes of the average consumer, on the basis of the evidence summarised above, the sign used by Battle in relation to the relevant goods was clearly either “HyVIZ Silva Mercury Reflective” (and I note to use of a capital letter at the start of each word) or “Silva Mercury” and such signs are not identical to the mark “Mercury”, just as the sign “Reed Business Information” was not identical to the mark “Reed” and the sign “OCH Capital” was not identical to the mark "OCH" in, respectively, *Reed Executive plc v Reed Business Information Ltd* [2004] EWCA Civ 159 and *Och-Ziff management Europe Ltd v Och Capital LLP* [2010] EWHC 2599 (Ch). It is possible that

in assessing what sign Battle was using, the average consumer might disregard the “HyVIZ” and “Reflective” elements but even that leaves one with a sign (“Silva Mercury”) which is not identical to the Mercury mark.

**Infringement –s.10(2) Trade Marks Act 1994**

1. Equisafety also claims that Battle’s actions amounted to an infringement of its trade mark under s.10(2) of the Trade Marks Act 1994. Section 10(2) states as follows:

*“A person infringes a registered trade mark if he uses in the course of trade a sign where because—*

*(a) the sign is identical to 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.”*

1. To establish infringement under s.10(2), six conditions must be satisfied:
  - (i) there must be use of a sign by a third party within the relevant territory,
  - (ii) the use must be in the course of trade,
  - (iii) the use must be without the consent of the proprietor of the trade mark,
  - (iv) the use must be of a sign which is at least similar to the trade mark,
  - (v) the use must be in relation to goods or services which are at least similar to those for which the trade mark is registered, and
  - (vi) the use must be such as to give rise to a likelihood of confusion on the part of the public, which includes the likelihood of association with the trade mark.

1. In the present case, only conditions (iv) to (vi) are in issue.

**Condition (iv)**

1. As regards condition (iv), the parties’ contentions could not be more different. Equisafety argues that Battle’s sign (if not identical) “could not be more similar” to the registered mark. In contrast, Battle argues that if there is any similarity at all it is at “a vanishingly low level”. In my judgment, the truth falls between these two extremes and I find that the average consumer (particularly bearing in mind the element of imperfect recollection) would see Battle’s sign as being moderately similar to the registered mark. This seems to me to follow from the obvious visual and aural similarities that clearly exist given that the word mercury is a part (and not an insignificant part) of Battle’s sign. There seems to me to be less conceptual similarity given that Battle’s sign overall conveys the concept of a high visibility, silver coloured, reflective product whereas the mark Mercury conceptually does not point to a high visibility, reflective product but rather to a product

with unusual (mercurial), god-like or even celestial but unspecified qualities.

Condition (v)

1. As regards condition (v), Battle accepts that its jacket, gilet, hat band, leg band, tail band and bridle are identical to goods for which the mercury mark is registered. However, it denies that its phone holder is similar, let alone identical, to any such goods. Against this Equisafety argues that the phone holder is at least moderately similar to the registered “Protective caps for cameras”. I agree with Equisafety. The registration for goods in class 9, taken as a whole, is clearly intended to cover goods that provide protection against injury or accident, including, as the reference to protective caps for cameras shows, injury or accident to a camera. In my judgment, a reflective case for a mobile phone is a similar product.

Condition (vi)

1. Turning to condition (vi), the approach to be applied in determining whether there is a likelihood of confusion was summarised by Kitchin LJ in *Comic Enterprises Ltd v Twentieth Century Fox Film Corp* [2016] EWCA Civ 41 at [31]-[32], as follows:
  - “(a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors;
  - (b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;
  - (c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;
  - (d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;
  - (e) nevertheless, the overall impression conveyed to the public by a composite trade mark may, in certain circumstances, be dominated by one or more of its components;
  - (f) and beyond the usual case, where the overall impression created by a mark depends heavily on the dominant features of the mark, it is quite possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;
  - (g) a lesser degree of similarity between the goods or services may be offset by a greater degree of similarity between the marks, and vice versa;
  - (h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;

- (i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;
- (j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;
- (k) if the association between the marks creates a risk that the public might believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.”

1. As noted above, for present purposes, the average consumer could be either a retailer or the end user of equestrian products. There is clearly a higher likelihood that the latter would be confused by Battle’s use of the word mercury for its high visibility products, particularly as such a consumer is unlikely to exercise more than a moderate amount of care when buying products of this type and, in particular, when buying them through a retailer and/or online.

*The likelihood of confusion*

1. In my judgment, looking at the evidence globally through the eyes of an end user and bearing in mind that, for the purposes of s.10(2), the likelihood of confusion is assessed in the context of the actual use that has been made of the sign complained of, I have concluded that there is a likelihood of confusion in that an end user is likely to assume that there was some association between Equisafety and the products being marketed and sold by Battle under the HVSMR or Silva Mercury labels. That association might be that the relevant products were derived from or were licenced by Equisafety or, possibly, that they have been co-branded in the sense set out in *Liverpool Gin Distillery Limited v Sazerac Brands LLC* [2021] EWCA Civ 1207 at [12].
2. It seems to me that this conclusion follows from the fact that Battle’s sign is being used in relation to identical goods, save for the phone holders which are similar goods, and from the clear visual and aural similarities between the sign and the mark to which I have referred. In reaching this conclusion, I reject Mr Carter's submissions that the average consumer would be taken by the unusual spelling of the words “Hy VIZ” and “Silva” and by their earlier positioning within the HVSMR sign such that those words would dominate the overall impression of the HVSMR sign with the result that “no, or vanishingly little distinctive weight” would be attached to the word mercury. In my judgment, although Battle has used the word “Mercury” as part of the HVSMR sign or of the Silva Mercury sign, given the essentially descriptive nature of the words “Hy VIZ”, “Silva” and “Reflective”, I find that the average consumer would take notice of the word “Mercury” and would regard it as being of some trade mark significance.

*Distinctive character*

1. I have concluded that there was a likelihood of confusion given the inherent distinctiveness (and non-descriptiveness) of the Mercury mark in relation to this type of goods. However, Equisafety also argued that that likelihood of confusion was increased by the distinctive character that the Mercury mark had acquired by reason of the uses it had made of it. In this regard, I have not been provided with any evidence regarding the



size of the market in high visibility products for the equestrian market nor of Equisafety's share of that market, although I am told that its highest annual turnover was £484,858 in 2018. Indeed, somewhat unhelpfully, Equisafety has redacted any information that might help determine the volume of its sales of Mercury products. Similarly, although I am told that Equisafety's advertising spend is around £35,000 a year, I have no information as to what part of that figure relates to the Mercury mark. Nevertheless, I accept that the evidence before me is sufficient to establish that Equisafety's use of the Mercury mark since 2015 has given that mark a distinctive character and that this increases the likelihood of confusion arising from Battle's use of the word mercury. I also accept Equisafety's case that that evidence is relevant even though it relates to uses made of the word Mercury before the application to register it as a trade mark.

2. In the first place, Equisafety's Mercury products were referred to reasonably extensively in various equestrian publications in 2015, 2016 and 2017. This was in the form of advertisements placed by Equisafety in respect of its "new Mercury range", its "BEST SELLING Mercury Range", its "New Charlotte Dujardin Collection", and its "Autumn/Winter 2018/19 collection" all of which included pictures of the Mercury jacket and/or of other Mercury products. There were also various product reviews of Mercury products under headings such as "Hi-viz that's set to shine!" (Equestrian Trade News, September 2015), "What a brilliant jacket!" (Equestrian Trade News, January 2016), "Equisafety – Mercury Jacket" (May 2016), "Look great, stay safe" (Your Horse, winter 2016), "Shine Bright - Stay Safe" (Equi-Ads, January 2017) and "Illuminating ideas" (Equestrian Trade News, February 2017).
3. Also significant is the evidence of Equisafety's Mercury products and the Mercury mark being referred to and promoted by Equisafety on Facebook and Instagram. As early as 2015, Equisafety's Facebook adverts for its Mercury jacket were attracting hundreds of "likes" and, by January 2016, this had risen to 2,323 "likes". Ms Fletcher's evidence (which I accept) was that Equisafety has over 2,200 followers for its Instagram page and more than 57,880 likes and 58,683 followers for its Facebook page.
4. Against this, Mr. Carter pointed to the fact that Equisafety's Mercury products had been marketed as part of Equisafety's "Night Rider" range or of its "Charlotte Dujardin Collection". This was certainly true in some (although not all) occasions. However, I do not agree with Mr Carter's conclusion that this shows that Equisafety's use of the Mercury mark had been "staggeringly inconsistent" nor do I accept that this prevented the Mercury mark acquiring a distinctive character. The brand of an individual product can clearly be distinctive of that product, even though that product forms part of a wider range of products with its own separate brand. Mr Selmi's example was of the Samsung Galaxy. Here, the marketing described above was clearly of products under the Mercury mark and was capable of giving that mark a distinctive character of its own.
5. Moreover, in my judgment, the distinctive character of the Mercury mark would have been very significantly enhanced by Equisafety's sponsorship of Charlotte Dujardin, which started in 2016. As the average consumer in this case would have been very well aware, Ms Dujardin is probably the leading dressage rider in the world and Equisafety used her name and picture extensively in its marketing materials. Whilst Ms Dujardin's role was not limited to the Mercury products, the Mercury Jacket was marketed as part of

Equisafety's "Charlotte Dujardin collection" and pictures of her in Equisafety's marketing materials between 2016 and December 2018 were usually of her wearing a Mercury jacket and seated on a horse wearing a Mercury rug and Mercury leg boots which products were often specifically captioned as being Mercury products. The evidence also includes an Instagram post by Ms Dujardin herself, featuring a photograph of her wearing a Mercury jacket and the comment "*as the nights are drawing in, do check out the Mercury range created with my sponsor @equisafety*". Whilst this particular post (made on 22 October 2019) came after most of the events complained of, it demonstrates the impact of and value attached to Ms Dujardin's name as it attracted 13,993 "likes".

6. I should note that, in her evidence, Ms. Fletcher also relied on Equisafety's sponsorship of a number of other very well-known riders. However, in contrast with the position regarding Ms Dujardin, there was no evidence before me linking these other riders to the Mercury products or mark so these other sponsorships do not assist Equisafety's present case.
7. There was further evidence of Equisafety's use of the Mercury mark from 2015 through its advertising, promotion and sale of Mercury products at its trade stands at leading equestrian events taking place annually across the UK. Ms Fletcher's evidence was that these events included the British Equestrian Trade Association (BETA) show, the Blenheim Horse Trials, the Badminton Horse Trials, the Cheshire Horse Show, the Blair Castle International Horse Trials, Your Horse Live, the West Country Christmas Show, the Horse of the Year Show in Birmingham and the London Horse Show at Olympia. I see no reason not to accept this evidence, particularly given the photographs produced showing some of these stands. In two of these photographs, a large scale advertisement for the MERCURY JACKET can be seen and in others products from the Mercury range are clearly on display and sale.
8. Finally, there was evidence that Equisafety has sold (or may have sold) its Mercury products to leading equestrian retailers such as Weatherbeeta (from 2015), Hucklesby Associates (from 2017), Trilanco (from 2018) and, possibly, Aldi (in 2016). However, it is difficult to place too much weight on this evidence given that Equisafety has not provided any evidence as to the level of sales to these retailers.

#### **Infringement –s.10(3) Trade Marks Act 1994**

1. Equisafety's final trade mark claim is that Battle's actions amounted to an infringement of its trade mark under s.10(3) of the Trade Marks Act 1994. Section 10(3) states that:

*(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,*

...

*where the trade mark has a reputation in the United Kingdom and the use of the sign, being without due cause, takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark.*

1. Section 10(3A) then provides that s.10(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.
2. In order to establish infringement under s.10(3), nine conditions must be satisfied, namely:
  - (i) the trade mark must have a reputation in the relevant territory;
  - (ii) there must be use of a sign by a third party within the relevant territory;
  - (iii) the use must be in the course of trade;
  - (iv) it must be without the consent of the proprietor of the trade mark;
  - (v) it must be of a sign which is at least similar to the trade mark;
  - (vi) it must be in relation to goods or services;
  - (vii) it must give rise to a “link” between the sign and the trade mark in the mind of the average consumer;
  - (viii) it must give rise to one of three types of injury, that is to say, (a) detriment to the distinctive character of the trade mark, (b) detriment to the repute of the trade mark or (c) unfair advantage being taken of the distinctive character or repute of the trade mark; and
  - (ix) it must be without due cause.
1. In this case, conditions (i), (v) and (vii)-(ix) are in issue.

Condition (i) - reputation

1. In *Sky plc v Skykick UK Ltd* [2018] EWHC 155 at [307], Arnold J. provided the following guidance as regards the test for establishing whether a trademark has a reputation:

*“Reputation of the trade mark. This is not a particularly onerous requirement. As the Court of Justice explained in Case C-375/97 General Motors Corp v Yplon SA [1999] ECR I-5421:*

24. *The public amongst which the earlier trade mark must have acquired a reputation is that concerned by that trade mark, that is to say, depending on the product or service marketed, either the public at large or a more specialised public, for example traders in a specific sector.*
25. *It cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trade mark must be known by a given percentage of the public so defined.*
26. *The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.*
27. *In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent*

*and duration of its use, and the size of the investment made by the undertaking in promoting it.”*

1. As Mr. Carter submitted, the factors relevant in determining whether a mark has a reputation are effectively the same as those for assessing whether it has acquired a distinctive character. Given my findings above regarding the distinctive character of the Mercury mark, I find that condition (i) is satisfied and that the mark had acquired a reputation for the purposes of s.10(3).

Condition (v) - sign at least similar to mark

1. Given my conclusions with regard to the s.10(2) claim, condition (v) is also clearly satisfied.

Condition (vii) - a link

1. Whether the use of the sign gives rise to a link between the sign and the trade mark in the mind of the average consumer depends on a global assessment of all of the relevant factors. The fact that the sign would call the trade mark to mind for the average consumer, who is reasonably well informed and reasonably observant and circumspect, is tantamount to the existence of such a link (see per Arnold J. in *Sky plc v SkyKick* at [309]).
2. Given my conclusions above regarding the likelihood of confusion arising from the use of the sign, I find that condition (vii) is also satisfied. The use of Battle’s sign would give rise to the requisite link with the Mercury mark.

Condition (viii) - injury

1. Under s.10(3), liability can arise in respect of any of three types of injury, (a) detriment to the distinctive character of the mark, (b) detriment to the repute of the mark and (c) unfair advantage being taken of the distinctive character or repute of the mark. Equisafety relies on all three of these types of injury.
2. Guidance as to these three types of injury was provided by the Court of Justice in Case C-487/07 *L’Oreal v Bellure NV* at [39]-[41]:

“39. *As regards detriment to the distinctive character of the mark, also referred to as ‘dilution’, ‘whittling away’ or ‘blurring’, such detriment is caused when that mark’s ability to identify the goods or services for which it is registered is weakened, since use of an identical or similar sign by a third party leads to dispersion of the identity and hold upon the public mind of the earlier mark. That is particularly the case when the mark, which at one time aroused immediate association with the goods or services for which it is registered, is no longer capable of doing so (see, to that effect, Intel Corporation, para.29).*

40. *As regards detriment to the repute of the mark, also referred to as ‘tarnishment’ or ‘degradation’, such detriment is caused when the goods or services for which the identical or similar sign is used by the third party may be perceived by the public in such a way that the trade*

*mark's power of attraction is reduced. The likelihood of such detriment may arise in particular from the fact that the goods or services offered by the third party possess a characteristic or a quality which is liable to have a negative impact on the image of the mark.*

41. *As regards the concept of 'taking unfair advantage of the distinctive character or the repute of the trade mark', also referred to as 'parasitism' or 'free-riding', that concept relates not to the detriment caused to the mark but to the advantage taken by the third party as a result of the use of the identical or similar sign. It covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation.'*

#### *Injury to distinctive character*

1. As regards injury to distinctive character, further guidance was provided in *Sky v SkyKick* [2018] EWHC 155 where Arnold J. pointed out at [310] that the stronger the mark's distinctive character, the easier it will be to find that detriment has been caused to it. However, the mere existence of a link is not enough, the proprietor must still prove actual injury or a serious likelihood of injury in the future.
2. In support of Equisafety's case, Mr Selmi argues that detriment is clear from the fact that Equisafety's turnover has dropped from the high £400ks in 2016-2018, to the low £300ks in 2019 and 2020. The difficulty with this is that I have no evidence to assist me in determining what proportion of that turnover or of that decline related to Equisafety's Mercury products. Similarly, Ms Fletcher's evidence was that online sales of Equisafety's Mercury products dropped by 50% in the period 2019/2020 compared with the period 2018/2019. Again, no information or supporting documentation was provided as to the actual figures involved.
3. Whilst this lack of information and of supporting documentation was less than helpful (particularly given that the burden of proof is on Equisafety and that the figures are, presumably, within its knowledge), the factors that led me to conclude that there was a likelihood of confusion also lead me to conclude that that there is the requisite detriment. Accordingly, I find that Battle's use of the word mercury in relation to high visibility equestrian products is bound to diminish the ability of Equisafety's Mercury mark to act as a designation of origin of its Mercury products.

#### *Injury to repute*

1. In support of Equisafety's claim that the reputation of its mark has suffered or might suffer, Ms Fletcher asserts that Equisafety's products are made of a fabric which enhances rider safety in all light conditions, whereas Battle's products are of inferior

quality and use a fabric that “blends into daylight and therefore only potentially enhances rider safety in low light environments”. However, I have seen nothing to support these assertions. In particular, I have not seen the rival products (other than in poor quality pictures) and there is no meaningful evidence of the sort of comparison or testing of those products that would allow me to reach any conclusion as to whether there is any merit in Ms Fletcher’s assertions. I therefore reject Equisafety’s claim insofar as it relies on injury to repute.

### *Unfair advantage*

1. The third type of injury that can give rise to liability under s.10(3) is where the use complained of takes unfair advantage of the distinctive character or repute of a registered mark. In determining this, factors such as the strength of the mark's reputation and of its distinctive character will be relevant, as will the degree of similarity between the mark and the sign in issue and the degree of similarity between the relevant goods or services. The more immediately and strongly the mark is brought to mind by the use of the sign, the greater is the likelihood of this type of injury.
2. Applying these principles, it follows from my conclusions regarding the distinctive character of the Mercury mark and the likelihood of confusion, that Battle’s sign, by including the word mercury, does take unfair advantage of the Mercury mark. In effect, in using that word for its high visibility equestrian products, it is benefitting from Equisafety’s investment in the Mercury mark without paying anything for it.
3. A factor that can be relevant in unfair advantage cases is the defendant’s intention. In this regard, a person’s conduct is most likely to found to be unfair where that person had intended to take advantage of the reputation of a trade mark. However, such an intention is not a necessary element for liability under s.10(3). As Arnold J pointed out in *Sky v SkyKick* [2018] EWHC 155 (Ch) at [315]—

*“... there is nothing in the case law to preclude the court from holding in an appropriate case that the use of a sign the objective effect of which is to enable the defendant to benefit from the reputation and goodwill of the trade mark amounts to unfair advantage even if it is not proved that the defendant subjectively intended to exploit that reputation and goodwill. Counsel for SkyKick did not challenge that conclusion.”*

1. In the present case, Battle’s intentions when it released its products under the HVSMR label are unclear because the only evidence before me is that of Mr Dewey. That evidence was to the effect that he was not aware of Battle’s range let alone of Equisafety’s Mercury products until he received Ms Fletcher’s letter of complaint of 6 June 2019. Mr Dewey suggested that any monitoring of competitor products was likely to be done by Battle’s commercial manager, Anna Clarke and, certainly, after receiving Ms Fletcher’s letter of 6 June, it was to Ms Clarke that Mr Dewey directed his email

questioning “why did we call it mercury?”

2. On balance, given my conclusions regarding the use that Equisafety had made of the Mercury mark, I think that Battle should have done more to provide the court with evidence which answered Mr Dewey’s own question by, for example, calling Ms Clarke. As Battle chose not to do so, I think that the court is entitled to draw an inference that is adverse to Battle and to conclude that whoever was involved at Battle in the launch of its HVSMR range must have been well aware of Equisafety’s use of the Mercury mark. Even if this were not so, Battle was clearly aware of that use after it received Ms Fletcher’s email of 6 June and yet it went on to extend its range of products marketed under the HVSMR label.

Condition (ix) – without due cause

1. The final condition in relation to a liability under s.10(3) is whether Battle’s use of the word mercury was without due cause. As explained by Kitchin LJ in *Comic Enterprises* at [123]:

*“... the concept of due cause involves a balancing between, on the one hand, the interests which the proprietor of a trade mark has in safeguarding its essential function and, on the other hand, the interests of other economic operators in having signs capable of denoting their products and services...”*

1. As I understand it, Battle’s argument is that it did not act without due cause because the word mercury was essentially descriptive. For the reasons set out earlier in this judgment, I reject that argument and I find that Battle’s actions were without due cause.

**The s.11(2) defence**

1. For the same reasons, it seems to me that Battle’s defence based on s.11(2)(b) of the Trade Marks Act 1994 must fail. That defence only applies to signs or indications which are not distinctive or which concern the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services. Moreover, it only applies where the use is in accordance with honest practices in industrial or commercial matters. Here the word mercury was distinctive and was not being used descriptively. Nor, given my conclusions regarding the issues of unfair advantage and due cause, was its use in accordance with honest practices in industrial or commercial matters.

**Trade mark infringement - conclusion**

1. For the reasons set out above, I find that Battle’s actions constituted an infringement

under s.10(2) and s.10(3) of the Trade Marks Act 1994.

2. I should note that in reaching these conclusions, I have not been influenced by Ms. Fletcher's inadmissible evidence regarding a Facebook survey that she conducted and which was said to evidence confusion. Similarly, I have not been influenced by Ms Fletcher's assertion that Battle has a reputation for copying the designs of other companies, or by the comments apparently made in this regard by certain employees or former employees of Battle. Without direct evidence from any witness from those other companies or from any of those employees or past employees, I am not in a position to make any findings in relation to this assertion.
3. Finally, with regard to the trade mark issues, the point was made by Equisafety that some HVSMR products continued to be available via its stockists even after Battle had undertaken to stop using the word mercury in relation to its products. Understandably this led Equisafety to believe that Battle was not abiding by its undertaking. However, I accept Battle's case that it had taken extensive steps to try to have references to mercury removed from its products and that ultimately it had no right to control the activities of its stockists. In any event, this seems to me to be something of a red herring. Battle may not be liable for the separate marketing and sales activities of its stockists, but it is liable for using the word by affixing it to the packaging of those goods in the first place and for exposing and offering them for sale to and via those stockists (see s.10(4) of the Trade Marks Act 1994).

### **Passing off**

1. Like the parties, I will deal with passing off briefly.
2. It was common ground that, in order to succeed in a passing off claim, Equisafety must establish the elements of goodwill, misrepresentation and damage. On the basis of my findings above, I find that Equisafety had clearly acquired goodwill in the word mercury used in relation to high visibility equine products and that it had done so well before Battle started using the word for its products sold under the HVSMR label. I also find that that use by Battle clearly involved a misrepresentation that those products were derived from or connected in some material way with Equisafety. Finally, I find that such use inevitably resulted in damage to Equisafety. For these reasons, I accept Equisafety's case that Battle's activities amounted to passing off.
3. One distinction between the trade mark claim and the passing off claim is as regards the relevant date. As mentioned above, insofar as Battle's actions took place before 7 June when Equisafety filed its application to register the mark, they cannot constitute infringements of the registered Mercury mark. By contrast, given my findings above, Battle's uses of the mercury word all took place after Equisafety had acquired goodwill in the word in relation to high visibility equine products and are, therefore, capable of amounting to passing off.

### **Joint tortfeasorship**

1. The final issue is whether Mr Dewey is jointly liable for the actions of Battle which I



have found constituted infringements of trade mark and passing off.

2. There is no dispute about the relevant law which was summarised by Lord Toulson in *Fish & Fish v Sea Shepherd UK* [2015] AC 1229 at [21] as follows:

*“D will be jointly liable with P if they combined to do or secure the doing of acts which constituted a tort. This requires proof of two elements. D must have acted in a way which furthered the commission of the tort by P; and D must have done so in pursuance of a common design to do or secure the doing of the acts which constituted the tort. I do not consider it necessary or desirable to gloss the principle further.”*

1. Equisafety’s case is that Mr Dewey is Battle’s managing director and a shareholder in it, that he is its controlling mind and is heavily involved in its activities with overall responsibility for various departments. Ms Fletcher believes that Mr Dewey is likely to have played a role in the matters complained of. In this regard she points to the fact that he had been actively involved with her in 2009 to 2010 regarding a product design that he asked her to create for Battle and to the fact that he attended trade shows at which Battle was marketing its HVSMR labelled products and to the fact that he actively liaises with Battle’s customers.
2. In my judgment, this evidence does not satisfy the test for joint liability as set out in *Fish*. It is true that Mr Dewey is Battle’s managing director and, on any basis, a significant shareholder in the company. However, Battle is a reasonably large company with 140 employees and there must be acts which it does but for which he cannot be held responsible. Whatever the position in relation to Mr Dewey’s involvement in the development of a product in 2009, there is no evidence to show that he was actively involved in decisions about new product ranges in 2018 either generally or specifically in relation to the products in issue here. Indeed, Battle’s internal emails after receiving Ms Fletcher’s email of 6 June 2019 suggest that Battle’s use of the word mercury was not something of which Mr Dewey had previously been aware and, given the scale of its operations, this is not as surprising as it might at first appear. Whilst the same cannot be said of the position after June 2019, there is still no evidence to link Mr Dewey personally to Battle’s continued uses of the word Mercury about which Equisafety complains.

## **Conclusion**

1. For these reasons, I find that Battle’s activities outlined above constituted passing off and also, insofar as they occurred after 6 June 2019, infringements of Equisafety’s Mercury trade mark. However, I dismiss Equisafety’s claim against Mr Dewey.