

O-034-04

**TRADE MARKS ACT 1994
and
THE TRADE MARKS (INTERNATIONAL REGISTRATION) ORDER 1996**

**IN THE MATTER OF APPLICATION NO 753053
IN THE NAME OF FRIEDRICH KNAPP, ANDREAS CZECH, FRANZ SCHMITT
& HANS-JOACHIM AHRENS**

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER NUMBER 70713 IN THE NAME OF
FREIGHTLINER LIMITED**

**TRADE MARKS ACT 1994 and
The Trade Marks (International Registration) Order 1996**

**IN THE MATTER OF application No 753053
in the name of Friedrich Knapp, Andreas Czech, Franz Schmitt
& Hans-Joachim Ahrens**

And

**IN THE MATTER OF opposition thereto under No 70713
in the name of Freightliner Limited**

Background

1. On 17 January 2001, Friedrich Knapp, Andreas Czech, Franz Schmitt and Hans-Joachim Ahrens, sought under the Madrid Protocol to extend protection for their registered trade mark FREIGHTLINER to the United Kingdom, for the following specifications of goods:

Class 3 Bleaching preparations and other substances for laundry use; cleaning, polishing, scouring and abrasive preparations; products for beauty and body care; soaps; perfumery, toilet waters of all kinds, particularly perfume, eau de perfume, eau de toilette, deodorants; essential oils; hair lotions, hair cleaning and hair caring substances, cosmetics; creams for the skin; lotions for cosmetic purposes, shaving substances and substances for after-shave care; dentifrices; cosmetic bathing additives; lipsticks; cotton buds for cosmetic purposes; nail polish; shoe polish, make-up.

Class 9 Scientific, nautical, surveying, photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), life-saving and teaching apparatus and instruments; domestic electric apparatus and instruments (included in this class); apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, electronic data carriers, tone carriers of all kinds, automatic vending machines and mechanisms for coin operated apparatus; cash registers, calculating machines, data processing equipment and computers; eye glasses and their parts, particularly sun glasses, sports glasses, ski glasses, protective eye pieces; frames for eye glasses; lenses for eye glasses, cases for eye glasses; protective helmets, helmet visors, protective face-shields for protective helmets; protective gloves; tachometers for bicycles.

Class 14 Precious metals and their alloys and goods of precious metals or coated therewith (included in this class); jewellery, bijouterie; costume jewellery; precious stones; horological and chronometric instruments; watchstraps.

Class 18 Leather and imitations of leather, and goods made of these materials (included in this class); animal skins, hides; trunks and travelling bags, briefcases; bags, sports bags, handbags, school bags, backpacks; travelling sets (leatherware); small articles of leather; purses, pocket wallets, key cases, hip bags, belt bags; umbrellas, parasols and walking sticks; whips, harness and saddlery.

Class 25 Clothing, footwear, headgear; outerwear for gentlemen and ladies; clothing for children; clothing for babies; underwear; undergarment; corsetry; hosiery; belts, suspenders, shawls, scarves, gloves, ties, headbands; swim wear for gentlemen and ladies; clothing for hiking, trekking, outdoor sports and climbing; leisure and city shoes for gentlemen and ladies, children's shoes; shoes for hiking, trekking, outdoor sports and climbing; clothing, footwear and headgear for soccer, basketball, handball and volleyball; clothing for jogging, fitness training and gymnastics; clothing, footwear and headgear for tennis, squash and badminton; clothing, footwear and headgear for inline skating, skateboarding, roller skating and hockey, football, baseball and boxing; clothing, footwear and headgear for cycling; clothing, footwear and headgear for horseback riding; clothing, footwear and headgear for golfing; clothing, footwear and headgear for water sports, particularly for surfing, sailing, rowing, canoeing and diving; clothing, footwear and headgear for mountain skiing, cross-country skiing and snowboarding; clothing, footwear and headgear for ice skating and ice hockey.

Class 28 Games, playthings; gymnastic and sporting articles (included in this class), and their parts, particularly sporting articles for trekking, climbing, soccer, basketball, handball, volleyball, tennis, squash, badminton, hockey, football, baseball, cycling, horseback riding, golfing, surfing, sailing, rowing, canoeing, diving, mountain skiing, cross-country skiing, snowboarding, ice skating, ice hockey, fitness training, inline skating, roller skating, skateboarding; ski bags; special bags in order to store and transport sporting equipment, especially bags for ski gear, snowboards, skateboards, skiing shoes, roller skates and ice skates as well as in-line skates; protective sports equipment, especially elbow and knee pads, protective wrist and ankle cuffs, body pads.

2. On 29 November 2001, Freightliner Limited filed notice of opposition against this designation, the grounds being in summary:

1. Under Section 5(3)

by virtue of the opponents' reputation in the name FREIGHTLINER, the mark applied being identical to the opponents' earlier trade mark registrations, and sought to be registered in respect of goods that are not similar to the services for which these earlier marks are registered, use by the applicants would take unfair advantage of or be detrimental to the distinctive character or repute of these earlier marks.

2. Under Section 5(4)(a) by virtue of the law of passing off.

3. Under Section 3(6) there is no reason for the applicants to choose the same name, and they do not have a bona fide intention to use it .

3. Details of the earlier marks relied upon by the opponents can be found as an annex to this decision.

4. The applicants filed a Counterstatement, accepting that the mark applied for and that owned by the opponents are identical, but deny all of the grounds on which the opposition is based.

5. Both sides request that costs be awarded in their favour.

6. Only the opponents filed evidence in these proceedings. The matter came to be heard on 16 September 2003, when the opponents were represented by Ms Harris of Sommerville & Rushton, their trade mark attorneys, the applicants were not represented.

Opponents' evidence

7. This consists of two Witness Statements. The first is dated 29 August 2002, and comes from Lynn Sheree Harris, a Trade Mark Assistant with Sommerville & Rushton, the opponents' representatives in these proceedings. Ms Harris states that the information contained within her statement comes from her own direct experience and the records of her company.

8. Ms Harris says that her research into the history of Freightliner Limited uncovered two Statutory Declarations (although no exhibits) that had been filed in support of trade mark applications. These are filed as exhibit LSH1 and consist of a Statutory Declaration dated 11 June 1991 by Alan Edward Inckle, an attorney and Intellectual property Rights manager with the British Railways Board, and a Statutory Declaration dated 30 October 2000, from Robert John Goundry, Company Secretary and Director of Strategy of Freightliner Limited. Much of the information contained within these Declarations has been included and updated in the Witness Statement dated 22 August 2003 by Douglas Downie, the Financial Director of Freightliner Limited since July 1997. For convenience I have incorporated all three documents into one summary.

9. All state that the trade mark Freightliner was first used by British Railways, the predecessor in title, in 1965, (Mr Goundry stating this to be 15 November) in relation to a goods transportation service. Mr Inckle makes reference to the name first appearing in the 1962 Annual Report of the then British transport Commission, and although he refers to this and other documents that confirm this date and continued subsequent use, these have not been provided.

10. Mr Goundry states that the name was adopted to allude to a train carrying containers, container transportation being a recent development at that time, and that since 1968 Freightliner Limited has been the only company within the United Kingdom using FREIGHTLINER for the carriage of goods in containers on rail networks. Exhibit DD1 consists of the opponents' company brochure that details the current services provided under the FREIGHTLINER name. Exhibit DD2 consists of copies of the company's Annual Returns for the years 1996 to 2001. Exhibit DD3 consists of a number of invoices, the earliest dating from December 1996 relating to the supply of signage for use at the Ipswich FREIGHTLINER depot, and for the provision of freight services under the FREIGHTLINER name, the earliest dating from December 1998.

11. Exhibit DD4 consists of copies of maps showing the locations of various FREIGHTLINER depots. The maps themselves are not dated but have a reference relating to the change of STD codes that was to occur in April 2000. The exhibit also includes a copy of 1996-97 Tilbury Dock handbook that mentions the FREIGHTLINER freight-train service, and a publication relating to Thamesport that refers to FREIGHTLINER. As this publication gives figures for the year 1998 and a projected figure for 1999, it is reasonable to infer that it dates from 1999.

12. Both Mr Goundry and Mr Downie confirm that since 1967 the company has operated regional inland terminals across the main industrial centres of England, Scotland and Wales, with links to Northern and Southern Ireland, Mr Downie confirming that his company has customers in the same geographic area.

13. Both Mr Goundry and Mr Downie give figures for turnover as follows:

Year	Turnover £ (Goundry)	Turnover £ (Downie)
1996-7	127,537,000	128,000,000
1997-8	106,770,000	107,000,000
1998-9	112,551,000	113,000,000
1999-2000	125,000,000	125,000,000
2000-01	-	130,000,000

14. Mr Goundry says that turnover figures for earlier years have proved difficult to obtain, being subsumed in BR and NFC accounts.

15. At exhibit DD5, Mr Downie breaks his publicity expenditure figures into amounts spent on advertising (ranging from £5,882 to £66,377) gifts and diaries (£2,093 to £40,300) and that spent on literature (£8,836 to £25,409). The figures vary considerably from year to year. No figures have been provided for 1997/98. Both Mr Goundry and Mr Downie provide figures described as relating to expenditure on marketing/support activities. These cover a different period and vary in the amounts stated:

Year	Expenditure £ (Goundry)	Expenditure £ (Downie)
1994	-	71,200
1995	-	67,000
1996	-	98,000
1997	255,000	208,000
1998	308,000	61,300
1999	377,000	104,200
2000	-	42,600
2001	-	33,400

16. Mr Goundry refers to various publications and events in which FREIGHTLINER is said to have been promoted, but little detail is given and there are no exhibits. At exhibit DD6 Mr Downie gives examples of the publications in which advertisements and features have appeared. These are primarily related to the motor and transport industries, the earliest dating from 1995, and show FREIGHTLINER being used in connection with a freight transportation service. He refers to his company's website, giving details of the number of hits since June 2001 (after the relevant date) shown as exhibit DD7. Mr Downie goes on to refer to articles that have appeared in a publication entitled Holyrood, and in books written about his company, extracts of which are shown at exhibit DD8. The exhibit consists of an extract from Holyrood, a magazine published for the Scottish Parliament, which is dated 18 September 2000, and refers to the management buy-out of FREIGHTLINER. It also contains an advertisement for FREIGHTLINER Scotland.

17. Mr Downie refers to exhibit DD9 which consists of items of FREIGHTLINER advertising and promotional materials. The exhibit consists of photographs of various items of clothing, an umbrella, luggage label, items of stationery, etc commonly used as promotional items, none of which can be dated as originating prior to the relevant date. A purchase order and invoice dating from September and December 1995, respectively, relate to the purchase of FREIGHTLINER desk clocks.

18. Exhibit DD10 consists of a copy of the FREIGHTLINER staff pension scheme, and staff share savings scheme documents (both dated after the relevant date), and extracts from a FREIGHTLINER company publication.

19. Mr Downie says that his company has attended exhibitions in the UK, referring to Intermodal 1996 and 1999 at Earls Court, exhibit DD11 consisting of a number of photographs endorsed as having been taken at the 1999 exhibition. He goes on to refer to his company being a founder member of Transaid, a charity involved in the provision of transport management systems in developing countries. Exhibit DD12 consists of an article published in 2002, referring to FREIGHTLINER as a founder member of the charity.

20. Mr Downie says that his company moves over 1,000,000 standard container units per annum, and is well known in the freight movement industry. He relates the industry awards received by his

company, a copy of an article relating to their being awarded 1999 European Rail Operator of the Year is shown as exhibit DD13. Mr Downie and Mr Goundry conclude their Statements by summarising their company's claim to a reputation and goodwill, and to how they see use of the mark applied for would affect their company's business. Mr Downie makes particular reference to his company's loss of future promotional and merchandising opportunities, stating that it is accepted practice in the field of heavy plant and construction equipment for company's to merchandise their name on a range of diverse goods. He does not, however, provide any corroborative evidence.

21. That concludes my review of the evidence insofar as it is relevant to these proceedings.

Decision

22. At the hearing the opponents' indicated that they would not be pursuing the ground under Section 3(6). That leaves the grounds under Section 5(3) and 5(4)(a). Turning first to the ground under Section 5(3) of the Act. That section reads as follows:

“5.-(3) A trade mark which -

(a) is identical with or similar to an earlier trade mark, and

(b) is to be registered for goods or services which are not similar to those for which the earlier trade mark is protected,

shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a Community trade mark, in the European Community) 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.”

23. An earlier trade mark is defined in Section 6 of the Act as follows:

“6.-(1) In this Act an “earlier trade mark” means—

a registered trade mark, international trade mark (UK) or Community trade mark which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks,”

24. The opponents rely on four trade marks, all for the word FREIGHTLINER in a plain font (albeit in one case with a claim to colour), all having an effective date earlier than the opposed application. The mark applied for is also FREIGHTLINER in a plain font, so an identical mark is at issue, a fact accepted by the applicants. I do not believe that there can be any dispute that the goods covered by the application are different to the services covered by the opponents' earlier marks. The position,

therefore, is that the opponents' have four earlier marks as defined by Section 6(1)(a), that fall within the requirements of Section 5(3)(a) and (b). I therefore need to consider the matter in the terms set out by Mr Simon Thorley QC sitting as a Deputy High Court Judge in *Pfizer Ltd v Euro Food-Link (UK) Ltd* ((ChD) [1999] 22(4) IPD 22039), as follows:

"What is necessary is that the trade mark proprietor should prove the required reputation and should then satisfy the Court that the defendants use of the sign is:

- (a) without due cause; and
- (b). takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark."

25. The wording of Section 5(3) indicates that the basis of an objection under that section is that the opponents' reputation in an earlier trade mark is such that use of the same or a similar mark in respect of dissimilar goods by another party will lead to the distinctive character or repute of that earlier trade mark being adversely affected in some material way, or to the applicants riding on its reputation to their advantage. Ms Harris referred me to *General Motors Company Ltd v Yplon SA* [1999] ETMR 122, in which it was held by the Court of Justice that:

"The degree of knowledge acquired must be considered to be reached when the earlier trade mark is known by a significant part of the public concerned by the product or services covered by the trade mark."

and

"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".

26. The goods covered by the application are generally ordinary, everyday items, available to, and purchased by the public at large. In respect of the opponents' services, Ms Harris described the "public concerned" as "people who require goods to be transported around the country or abroad; the Port authorities for goods being imported or exported via shipping terminals and competitors of the opponents". It seems quite likely that given the extent of the opponents' business, that Port authorities and competitors will be well aware of the opponents' business provided under the name FREIGHTLINER, and whilst the services covered by the opponents' earlier marks appear to be directed towards commercial and industrial users, the opponents' earlier marks are not limited as such, and must also be considered, at least notionally, as being available to the general public, and this defines who should be regarded as "the public concerned".

27. The evidence shows the FREIGHTLINER mark to have been in use for some forty years, and has been widespread in its geographical use, and by any standards, significant in its extent, both in terms of

turnover and business transacted. From the evidence it would appear that the opponents' presence has primarily been in industrial and commercial circles, which is also where their advertising and promotion efforts have been directed, and I would say that in this area there can be little doubt that they have built a strong reputation in the mark, in relation to freight transportation and storage. I would also say that given the length and scale of their use, awareness of the mark may have reached the consciousness of a wider public, who may well have seen the mark on the livery of the vehicles travelling the roads and rail network of the country, and on the signage of their premises, although the extent of this cannot be gauged.

28. Ms Harris submitted that whilst FREIGHTLINER may not, *prima facie*, be distinctive in relation to freight services, it has become so by virtue of the opponents' use. I would agree that FREIGHTLINER may not be the most inventive or strongest trade mark for the services for which it is used, but I would not go so far as to say that it lacks any distinctive character.

29. I have already stated that in my assessment, there can be no doubt that the opponents have a longstanding and substantial reputation in the word FREIGHTLINER, in respect of freight services. There is some evidence of the trade mark having been used on goods, but only as a vehicle to promote the company's services, not as a trade in its own right. Beyond this promotional use there is nothing that informs me that it would be the usual practice for those operating in the freight or transport industry to also trade in goods.

30. Given the reference to the type services provided by the opponents under the mark, it seems quite likely that other operators within the same industry may use trade marks incorporating either FREIGHT or LINE/LINER, but I see no reason why they should necessarily use the two in combination. Mr Goundry confirms this to be the case, stating that his is the only company within the United Kingdom using FREIGHTLINER for the carriage of goods in containers on rail networks. However, this does little to assist me in determining the uniqueness, or otherwise, of the mark in the marketplace as a whole. However, even given its descriptive connotations in relation to the services for which it is used, I see no logical reason why a trader in another line of business would come up with FREIGHTLINER or wish to use it in relation to goods or services disconnected from the freight or transport industries.

31. Other than perhaps some technical goods in the applicants' Class 9 specification that could relate to vehicle or freight monitoring and control, such as tachographs, global positioning systems for vehicle and freight tracking, etc, there is no parallel that I can see between the channels by which the respective goods and services will reach the consumer.

32. The General Motors case went on to consider how the requirements in determining whether a sign should be considered to take unfair advantage of, or be detrimental to, the distinctive character or the repute of an earlier trade mark, the ECJ saying:

“It is to be noted in particular that Article 5(2) [the equivalent of Section 5(3)] in contrast to

Article 5(1)(b) [the equivalent of Section 5(2)] does not refer to a mere risk or likelihood of its conditions being fulfilled. The wording is more positive: “take unfair advantage of, or is detrimental”. Moreover, the taking of unfair advantage or the suffering of detriment must be properly substantiated, that is to say properly established to the satisfaction of the National Court.”

33. In *Barclays Bank v RBS Advanta* [1996] 10 RPC 307, Mr Justice Laddie said in relation to equivalent wording in the proviso to Section 10(6):

“At the most these final words emphasise that the use of the mark must take advantage of it or be detrimental to it. In other words the use must either give some advantage to the defendant or inflict some harm on the character or repute of the registered mark which is above the level of *de minimis*.”

34. Other than in respect of the “technical goods” in Class 9 that I have mentioned above, I can see no obvious connection between the service provided by the opponents, and the goods for which the applicants seek registration. The opponents have provided a narrow range of services under the FREIGHTLINER name, and their reputation is similarly, also narrowly defined. There is no evidence that freight companies trade in goods connected with the service, let alone with no link other than that they may be used as a promotional vehicle for the core service. The opponents may well have a strong reputation in their field, but what cachet or advantage could there be to attaching that reputation to the goods covered by the application?

35. Will the opponents’ mark be any less distinctive or tarnished by the applicants’ use of FREIGHTLINER? Other than in the opponents’ own industry, there is no evidence that the mark is unique in the marketplace, and in the absence of evidence from which it can be inferred, I do not feel able to conclude that it will be any less distinctive, or that there will be some damage inflicted upon it or the reputation attached. The opponents may feel that they have lost the capacity to use their mark in areas that they may have, at some time in the future wished to, but the provisions of Section 5(3) are not intended to ring fence use of the mark with a reputation in all or any area of trade, only where another user would in effect be a parasite feeding off, or inflicting damage or detriment upon the opponents’ hard earned reputation. I am unable to see how the applicants could derive any advantage from, or that their use would be detrimental to the opponents’ reputation in the trade mark FREIGHTLINER. In relation to the services for which it has a reputation it will be just as distinctive as it ever was, and the ground under Section 5(3) is dismissed accordingly.

36. This leaves the ground under Section 5(4)(a). That section reads as follows:

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

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an

unregistered trade mark or other sign used in the course of trade, or

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

37. The opponents contend that they would succeed in an action for passing off against the applicants should their mark be used in the United Kingdom. A helpful summary of the elements of an action for passing off can be found in Halsbury’s Laws of England 4th Edition Vol. 48 (1995 reissue) at paragraph 165. The guidance given with reference to the speeches in the House of Lords in *Reckitt & Colman Products Ltd - v - Borden Inc* [1990] RPC 341 and *Erven Warnik BV - v - J. Townend & Sons (Hull) Ltd* [1979] AC 731 is (with footnotes omitted) as follows:

The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:

- (1) that the plaintiff’s goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;
- (2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by the defendant are goods or services of the plaintiff; and
- (3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant’s misrepresentation.

The restatement of the elements of passing off in the form of this classical trinity has been preferred as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House. This latest statement, like the House’s previous statement, should not, however, be treated as akin to a statutory definition or as if the words used by the House constitute an exhaustive, literal definition of “passing off”, and in particular should not be used to exclude from the ambit of the tort recognised forms of the action for passing off which were not under consideration on the facts before the House.

Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph 184 it is noted (with footnotes omitted) that;

“To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

- (1) that a name, mark or other distinctive feature used by the plaintiff has acquired a

reputation among a relevant class of persons; and

- (2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

- (a) the nature and extent of the reputation relied upon;
- (b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;
- (c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;
- (d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and
- (e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances."

38. I have already stated that I consider the opponents to have a long standing and substantial reputation within the freight industry, established under the name FREIGHTLINER, and I would say it is clear that they possess a goodwill commensurate with this reputation. The mark applied for is an identical mark but that in itself does not mean that the applicants are guilty of passing off. In *Harrods Ltd v Harrodian School Ltd* [1996] RPC 697 it was propounded that unless registered as a trade mark, no one has a monopoly in their brand name or get-up, however familiar these may be. Passing off is a wrongful invasion of a right of property vested in the opponents; but the property which is protected by an action for passing off is not the opponents' proprietary right in the name or get-up which the applicants have misappropriated, but the goodwill and reputation of the business which is likely to be harmed by the applicants' misrepresentation.

39. There is no rule that the applicants must be operating in the same field of activity as the opponents for there to be a finding of passing off, but as is stated in Kerleys Law of Trade Marks and Trade

Names (13th Edition):

“..this does not mean that an examination of the fields of activity is irrelevant. The more remote the activities of the parties, the stronger the evidence needed to establish misrepresentation and the real likelihood of damage that are prerequisites of a right of action in passing off. Although this is a question of fact to be determined in the circumstances of the particular case, instances of decisions may be helpful and are given below.

It may be said generally that establishing a passing off by goods in which the claimant does not trade calls for special evidence to establish that the defendant’s actions will induce the belief, if not that his goods are those of the claimant (*Treasure Cot* [1950] 67 RPC 89) at least that his business is an extension of (*Eastman v Griffith* [1898] 15 RPC 105) or somehow connected with (*Manchester Brewery v North Cheshire* [1899] AC 83 HL) that of the claimant, or his goods somehow approved or authorised by the claimant (*Morny v Ball & Rogers* ([1978] FSR91). Where the fields of activity of the parties are different, the burden of proving that the defendant causes the real likelihood of damage to the claimant is a very heavy one (*Stringfellows* [1984] RPC 501)..”

40. Apart from on some promotional items, the opponents have not used FREIGHTLINER in respect of any goods. The most that they say is that they had been looking into the possibility, although do not give any details so I do not know whether this was prior to, or after the relevant date. In *Hodgkinson & Corby v Wards* [1994] 1 WLR 1564, it was said:

“...there is no tort of taking a man’s market or customers. Neither the market nor the customers are the plaintiff’s to own. There is no tort of making use of another’s goodwill as such. There is no tort of competition...”

41. There is some authority for saying that goodwill may extend to natural future extensions of a business, so that the owner of the goodwill may be entitled to prevent use of his name or marks on goods he expects to sell in the future (*Eno v Dunn* [1890] 15 App. Cas.). Ms Harris referred me to *Taittinger v Allbev* [1993] AE 75, in which it was stated:

“It is not in my view unfair to deny the defendants the opportunity to exploit, share or (in the vernacular) cash in on that reputation, which they have done nothing to establish. It would be very unfair to allow them to do so if the consequence was, as I am satisfied it would be, to debase and cheapen that very reputation.”

and to the following quote from *Premier Brands UK Ltd v Typhoon Europe Ltd* [2000] FSR 767:

“The courts have repeatedly held that it constitutes an act of unfair competition to associate the quality of one’s goods or services with that of prestigious competitive products for the purpose of exploiting the good reputation of the competitor’s goods or services in order to enhance

one's promotional efforts."

42. I have some reservations as to the relevance of these cases. The respective goods and services are sufficiently far apart for me to question why use by the applicants should "debase or "cheapen" the opponents reputation or goodwill, and as far as I can see, the goods that the applicants' propose to use the mark in connection with are by no means "competitive" products.

43. In the *LEGO* case [1983] FSR 155, the loss of the ability to license was found to be an acceptable head of damage, primarily because the defendants and the plaintiffs goods were made of the same material and therefore licensing was not necessarily outside the plaintiffs field of activity. Other than perhaps in respect of some goods in Class 9, there is no such parallel here. I am also conscious that the Court of Appeal in the *Stringfellow's* case doubted whether the loss of a possible field for merchandising of a mark was a permissible head of damage in passing off. From a purely practical point of view, where a company cites a loss of potential for merchandising as a head of damage, I would expect there to be some clear and cogent evidence that at the relevant date, they were, if not already involved in, at least had settled plans to use their mark in such a way. If this is not the case, what is there to stop any trader from citing the loss of a market for merchandising even though they never had any intention of doing so? In this case, apart from some use on items to promote their freight business there is nothing to support the position that had the applicants not brought this to their minds, they would have been using their mark in an active trade in good or services beyond their core business.

44. To me, FREIGHTLINER seems a strange choice for a trader unconnected with the freight industry; it is not the sort of name that I would expect to just trip off the tongue, and whilst I am led to wonder how the applicants came to adopt it as their mark, this is of little consequence. Being an unusual name for use in connection with non-freight goods, it seems likely that some consumers on seeing it may bring to mind the opponents, but given the differences in the services in which the reputation and goodwill subsists, and the goods and services for which the applicants propose to use the mark, would they be led into believing that they come from the opponents or some connected undertaking? As well as their own promotional use, the opponents refer to companies in the heavy plant and construction industries who, they say, merchandise their name on a variety of goods. They have not, however, provided any specific details so this information is of little if any use, but in any event, I do not think that this alone would have gone anywhere near to establishing that the public would have any expectation of a freight company conducting a trade in goods far removed from the core business.

45. It seems likely to me that to those aware of the opponents' use of FREIGHTLINER in respect of their freight business, on seeing the applicants' use in relation to most of the goods covered by their application, may well bring to mind the opponents, but will not be confused or deceived into believing that the goods are in some way connected with the opponents. My only concern is, as I expressed earlier, the goods in Class 9 of the application that could be used in relation to freight services, for example, vehicle and/or freight tracking. In respect of such goods I can see a person familiar with the

opponents' FREIGHTLINER business being led to the belief that the opponents' are, if not trading in the goods themselves, have endorsed the use of the mark. I therefore find the opposition to have been successful, but only in respect of Class 9.

46. Given my findings under Section 5(4)(a), if the applicants file a Form TM21 within one month from the end of the appeal period, excluding from Class 9 of their application "any such goods for use in the management of freight cargo or freight transport vehicles" I will, in the event of no appeal, allow this application to proceed to registration. If the applicants fail to file a TM21 within one month from the end of the appeal period the application will be refused.

47. The opposition having been successful, albeit only in part, the opponents are entitled to an award of costs. I order the applicants to pay the opponents the sum of £1,450 as a contribution towards their costs. This sum reflects the fact that the opposition may have been successful, but only in relation to a small part of one class of the application. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 4th day of February 2004

**Mike Foley
for the Registrar
the Comptroller General**