

O-063-16

TRADE MARKS ACT 1994

**IN THE MATTER OF TRADE MARK APPLICATION 3062116
BY BRANDLOGIC LTD
TO REGISTER THE FOLLOWING TRADE MARK IN CLASS 25:**

BENTLEY 1962

AND

**OPPOSITION THERETO (NO. 403060) BY
BENTLEY MOTORS LIMITED**

Background and pleadings

1. These opposition proceedings concern whether the trade mark **BENTLEY 1962** should be registered for “clothing, footwear and headgear” in class 25. The applicant is Brandlogic Ltd, who filed the mark on 30 June 2014. The mark was subsequently published for opposition purposes on 15 August 2014.

2. The opponent is Bentley Motors Limited. Its opposition is based on grounds under sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (the Act). It relies on a number of earlier marks (I will set them out later), all of which consist of the word **BENTLEY**. Under section 5(4)(a) the opponent relies on the use of the sign **BENTLEY** since 1920. The applicant filed a counterstatement denying the grounds of opposition and putting the opponent to proof of use.

3. Both sides are legally represented. The opponent is represented by Eversheds, the applicant by Mewburn Ellis. Both sides filed evidence. A hearing took place before me on 6 November 2015 at which Ms Charlotte Scott, of counsel, instructed by Eversheds, represented the opponent. The applicant did not attend the hearing, but it did file some written submissions in lieu of attendance.

The evidence

4. I will come back to the detail of the evidence later. For the time being, I set out below who the witnesses are and what, in brief, they have given evidence about.

For the opponent

5. Ms Justine Pridding, the opponent’s corporate counsel. She gives evidence about the use of BENTLEY by the opponent. I will not need to come back to most of what she states because it is abundantly clear from her evidence that the BENTLEY mark is a longstanding and prestigious one in the field of motorcars. What I will come back to in more detail is Ms Pridding’s evidence about the sales of merchandise and accessories and, also, the evidence she gives about the applicant and its business.

For the applicant

6. Ms Jacqueline Pang, a trade mark attorney at Mewburn Ellis. She gives evidence about the use of the word BENTLEY by third parties.

7. Mr Roger Grimshaw, a partner and trade mark attorney at Mewburn Ellis. He gives evidence about various trade marks and company names that contain the word BENTLEY. He also gives evidence about the number of people that have BENTLEY as a surname and, also, place names that contain that word.

8. Mr Christopher Lees, a director of the applicant. He gives evidence about the applicant’s business and, also, a related company. He also gives evidence about meetings/discussions which took place with the opponent at various times between 1998 and 2009.

For the opponent, in reply

9. Ms Pridding gives evidence mainly seeking to criticise the evidence of the applicant. However, she also gives evidence about the meetings/discussions which have taken place with the applicant and/or its related company.

10. Mr Andrew Armitage, the opponent's general counsel and company secretary. His evidence is about the meetings/discussions that took place with the applicant and/or its related company.

11. Ms Kate Ellis, principal associate and trade mark attorney at Eversheds LLP. She gives evidence in reply to that of Mr Grimshaw and Ms Pang.

Section 5(4)(a) – passing off

12. Section 5(4)(a) of the Act reads:

“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

(b)...

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

13. Halsbury's Laws of England (4th Edition) Vol. 48 (1995 reissue) at paragraph 165 provides the following analysis of the law of passing-off. The analysis is based on guidance given in the speeches in the House of Lords in *Reckitt & Colman Products Ltd v. Borden Inc.* [1990] R.P.C. 341 and *Erven Warnink BV v. J. Townend & Sons (Hull) Ltd* [1979] AC 731. It 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."

14. 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."

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action."

The relevant date

15. Whether there has been passing-off must be judged at a particular point (or points) in time. In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11, Mr Daniel Alexander QC, sitting as the Appointed Person, stated:

“39. In *Last Minute*, the General Court....said:

‘50. First, there was goodwill or reputation attached to the services offered by LMN in the mind of the relevant public by association with their get-up. In an action for passing off, that reputation must be established at the date on which the defendant began to offer his goods or services (*Cadbury Schweppes v Pub Squash* (1981) R.P.C. 429).

51. However, according to Article 8(4) of Regulation No 40/94 the relevant date is not that date, but the date on which the application for a Community trade mark was filed, since it requires that an applicant seeking a declaration of invalidity has acquired rights over its non-registered national mark before the date of filing, in this case 11 March 2000.’

40. Paragraph 51 of that judgment and the context in which the decision was made on the facts could therefore be interpreted as saying that events prior to the filing date were irrelevant to whether, at that date, the use of the mark applied for was liable to be prevented for the purpose of Article 8(4) of the CTM Regulation. Indeed, in a recent case before the Registrar, *J Sainsbury plc v. Active: 4Life Ltd* O-393-10 [2011] ETMR 36 it was argued that *Last Minute* had effected a fundamental change in the approach required before the Registrar to the date for assessment in a s.5(4)(a) case. In my view, that would be to read too much into paragraph [51] of *Last Minute* and neither party has advanced that radical argument in this case. If the General Court had meant to say that the relevant authority should take no account of well-established principles of English law in deciding whether use of a mark could be prevented at the application date, it would have said so in clear terms. It is unlikely that this is what the General Court can have meant in the light of its observation a few paragraphs earlier at [49] that account had to be taken of national case law and judicial authorities. In my judgment, the better interpretation of *Last Minute*, is that the General Court was doing no more than emphasising that, in an Article 8(4) case, the *prima facie* date for determination of the opponent’s goodwill was the date of the application. Thus interpreted, the approach of the General Court is no different from that of Floyd J in *Minimax*. However, given the consensus between the parties in this case, which I believe to be correct, that a date prior to the application date is relevant, it is not necessary to express a concluded view on that issue here.

41. There are at least three ways in which such use may have an impact. The underlying principles were summarised by Geoffrey Hobbs QC sitting as the Appointed Person in *Croom’s TM* [2005] RPC 2 at [46] (omitting case references):

(a) The right to protection conferred upon senior users at common law;

(b) The common law rule that the legitimacy of the junior user's mark in issue must normally be determined as of the date of its inception;

(c) The potential for co-existence to be permitted in accordance with equitable principles.

42. As to (b), it is well-established in English law in cases going back 30 years that the date for assessing whether a claimant has sufficient goodwill to maintain an action for passing off is the time of the first actual or threatened act of passing off: *J.C. Penney Inc. v. Penneys Ltd.* [1975] FSR 367; *Cadbury-Schweppes Pty Ltd v. The Pub Squash Co. Ltd* [1981] RPC 429 (PC); *Barnsley Brewery Company Ltd. v. RBNB* [1997] FSR 462; *Inter Lotto (UK) Ltd. v. Camelot Group plc* [2003] EWCA Civ 1132 [2004] 1 WLR 955: "date of commencement of the conduct complained of". If there was no right to prevent passing off at that date, ordinarily there will be no right to do so at the later date of application.

43. In *SWORDERS TM O-212-06* Mr Alan James acting for the Registrar well summarised the position in s.5(4)(a) proceedings as follows:

'Strictly, the relevant date for assessing whether s.5(4)(a) applies is always the date of the application for registration or, if there is a priority date, that date: see Article 4 of Directive 89/104. However, where the applicant has used the mark before the date of the application it is necessary to consider what the position would have been at the date of the start of the behaviour complained about, and then to assess whether the position would have been any different at the later date when the application was made.'

16. The filing date of the subject trade mark is 30 June 2014. That is the *prima facie* relevant date in these proceedings. However, it is a feature of these proceedings that the applicant claims to have used its mark, or that it has been used by a predecessor in title. Therefore, it may be necessary to consider the matter at an earlier date, depending on what I make of the evidence. It is for this reason that I will consider the evidence of both sides business activities and make factual findings accordingly. Much of the assessment at this stage is for the purpose of establishing whether the respective businesses have created any goodwill. This is a prerequisite for the opponent, but it may also assist the applicant, for example, by showing that it has a concurrent goodwill, or that it is the senior user. Therefore, it is useful to note the following in relation to what constitutes goodwill.

Goodwill

17. In *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL), the Court stated:

"What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one

thing which distinguishes an old-established business from a new business at its first start.”

18. In *Hart v Relentless Records* [2003] FSR 36, Jacob J. (as he then was) stated that:

“62. In my view the law of passing off does not protect a goodwill of trivial extent. Before trade mark registration was introduced in 1875 there was a right of property created merely by putting a mark into use for a short while. It was an unregistered trade mark right. But the action for its infringement is now barred by s.2(2) of the Trade Marks Act 1994. The provision goes back to the very first registration Act of 1875, s.1. Prior to then you had a property right on which you could sue, once you had put the mark into use. Even then a little time was needed, see per Upjohn L.J. in BALI Trade Mark [1969] R.P.C. 472. The whole point of that case turned on the difference between what was needed to establish a common law trade mark and passing off claim. If a trivial goodwill is enough for the latter, then the difference between the two is vanishingly small. That cannot be the case. It is also noteworthy that before the relevant date of registration of the BALI mark (1938) the BALI mark had been used ‘but had not acquired any significant reputation’ (the trial judge’s finding). Again that shows one is looking for more than a minimal reputation.”

19. However, a small business which has more than a trivial goodwill can protect signs which are distinctive of that business under the law of passing-off even though its reputation may be small. In *Stacey v 2020 Communications* [1991] FSR 49, Millett J. stated that:

“There is also evidence that Mr. Stacey has an established reputation, although it may be on a small scale, in the name, and that that reputation preceded that of the defendant. There is, therefore, a serious question to be tried, and I have to dispose of this motion on the basis of the balance of convenience.”

See also: *Stannard v Reay* [1967] FSR 140 (HC); *Teleworks v Telework Group* [2002] RPC 27 (HC); *Lumos Skincare Limited v Sweet Squared Limited and others* [2013] EWCA Civ 590 (COA)

20. In terms of what is required to establish goodwill, I note that in *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19 (HC), Pumfrey J. stated:

“27. There is one major problem in assessing a passing of claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent’s reputation extends to the goods comprised in the applicant’s specification of goods. The requirements of the objection itself are considerably more stringent than the enquiry under s.11 of the 1938 Act (see *Smith Hayden & Co. Ltd’s Application (OVAX)* (1946) 63 R.P.C. 97 as qualified by *BALI Trade Mark [1969] R.P.C.*

472). Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.

28. Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed to the relevant date. Once raised, the applicant must rebut the prima facie case. Obviously, he does not need to show that passing off will not occur, but he must produce sufficient cogent evidence to satisfy the hearing officer that it is not shown on the balance of probabilities that passing off will occur.”

21. However, in *Minimax GmbH & Co KG v Chubb Fire Limited* [2008] EWHC 1960 (Pat) Floyd J. stated that:

“[The above] observations are obviously intended as helpful guidelines as to the way in which a person relying on section 5(4)(a) can raise a case to be answered of passing off. I do not understand Pumfrey J to be laying down any absolute requirements as to the nature of evidence which needs to be filed in every case. The essential is that the evidence should show, at least prima facie, that the opponent's reputation extends to the goods comprised in the application in the applicant's specification of goods. It must also do so as of the relevant date, which is, at least in the first instance, the date of application.”

The opponent's business

22. As I have already touched upon, there can be little doubt that BENTLEY is a well-known brand in the field of luxury cars. The number of cars it sells is not huge, but given their expense, this is not surprising. The prestige of the brand is well known. I have no hesitation in holding that the opponent's business has a longstanding and strong goodwill in relation to the sale of motor cars, dating back to the 1920s. The word BENTLEY is the primary sign associated with that goodwill. Had the applicant's mark been for motor cars, matters could have been left there. However, the application is not for motor cars, but, instead, for clothing, footwear and headgear. It is, therefore, necessary to ascertain what, if any, goodwill the opponent has in that field, or related fields.

23. After giving evidence about the opponent's motor car business, Ms Pridding discusses the matter of what she describes as “sales of merchandise and accessories”. She states that it is not unusual for top-end car manufacturers to expand to offer a wide range of merchandise and other products. She gives some examples of Porsche and Ferrari products such as clothing, watches, sunglasses etc. Ms Pridding states that for over 15 years BENTLEY has offered branded clothing and headgear in the UK and overseas. In addition to clothing, she states that the opponent has also offered “for many years” products including umbrellas, bags, suitcases, holdalls, briefcases, wallets, luggage, iPad™ cases, iPhone™ cases, key rings, lapel pins, purses, compact mirrors, notebooks, espresso sets, mugs and belts, and, also, teddy bears, model cars, cuff links, clocks, writing sets, backgammon sets, calendars and pens.

24. Exhibit JP7 contains examples of the products which Ms Pridding states have been offered for sale over the last 7 years. The first page of the exhibit is headed "Bentley images 2007, 2008, 2012, 2013, 2014 proof". None of the pages are dated. Indeed, each print has the letters dd/mm/yyyy" at the bottom left, but no date information has been entered. Other than one or two exceptions (which I will highlight), the prints are just pictures of various goods, absent context of sales outlet. Each of the printed pages has BENTLEY (underneath its logo) on the top right of the page, but as this page has not necessarily been exposed to the public, this does not assist. The products (some of which have multiple examples) are:

- An umbrella (with a clasp featuring a stylised letter B)
- A pen (with BENTLEY depicted)
- Caps (with BENTLEY depicted)
- A t-shirt (with no clear branding)
- A model car (with BENTLEY depicted on it). However, the nature of use appears as more of a sponsor's name (as one gets with racing cars), so this may not be seen as a badge of trade origin
- Cups/mugs (with BENTLEY depicted)
- Cufflinks (with no visible branding)
- Key-rings (Bentley Motors is depicted around the outside of a B logo)
- A personal organiser (as above)
- A pen case (with BENTLEY depicted)
- A lanyard (with BENTLEY depicted)
- An umbrella (with BENTLEY depicted)
- A polo shirt (with BENTLEY depicted)
- A calendar (with no clear branding)
- A scarf (with BENTLEY depicted)
- A beanie hat (with BENTLEY depicted)
- Coats (with the B logo, possibly with BENTLEY MOTORS around it)
- Coats (with BENTLEY depicted)
- A woman's' scarf (BENTLEY depicted)
- A teddy bear (with a BENTLEY cap)
- A toy/model BENTLEY car (with BENTLEY depicted)
- What could be a bag (no branding upon)
- Wallets (with BENTLEY depicted)
- Some form of leather fob or pouch (BENTLEY MOTORS depicted around the B logo)
- A "WEAKENDER BAG" (no clear branding upon)
- Some leather (or leather style) gloves (BENTLEY MOTORS depicted around the B logo)
- Briefcases (no clear branding upon)
- A belt (BENTLEY depicted)
- Cufflinks (BENTLEY MOTORS depicted around the B logo)
- A clock (with the words BREITLING for BENTLEY)

A key-ring (with BENTLEY MOTORS depicted)

A picture of a tablet computer showing "The Bentley collection shop" on the screen – the text and images are unclear. I can make out a key fob, a car, someone driving a car, but not much else.

A photograph of a "Bentley Boutique". Its location is not specified. The pictures show some clothing and headgear, umbrellas, some bags and some items under glass (but which are not clear enough to identify).

Watches (with the words BREITLING for BENTLEY depicted)

A games (backgammon) set (with BENTLEY depicted)

What appears to be a briefcase (from the context of other evidence, it is probable that this has BENTLEY MOTORS depicted around the B logo)

A sports bag (with BENTLEY depicted)

A towel (with BENTLEY depicted)

Cufflinks (with BENTLEY depicted upon the reverse)

A tablet computer case (no branding upon)

A wallet (BENTLEY depicted on the inside)

A watch/cufflink case (no branding depicted) – the cufflinks in the case appear to be those described earlier.

Womens' gloves and handbag (no visible branding)

A t-shirt (BENTLEY depicted)

A fleece (BENTLEY depicted)

A leather bag and gloves (no visible branding)

What appears to be a briefcase or some other type of business case (branding is very unclear)

An ornament (with the words LALIQUE for BENTLEY depicted)

A textile piece (possibly a scarf) (with BENTLEY MOTORS depicted)

A gilet (with BENTLEY depicted)

25. Exhibit JP8 contains further images as follows:

- A website print from bentleymotors.com headed BENTLEY COLLECTION. It has clickable options including "handbags and small leather goods", "Bentley Collection" and "Licensed Partners".
- There are sub-designations including: FRAGRANCES, EYEWEAR, HOME COLLECTION.
- Within the sub-designation BENTLEY COLLECTION there are sub-headings including apparel, children, model cars and luxury gifts.
- From the various sub-designations, particular products are shown including umbrellas, weekend bags, briefcases, wallets, cufflinks, leather gloves, credit card holders, iPhone™ cases, passport holders, ties, key-rings, key fobs.
- Additionally, there is a backgammon case. There are also a number of pages dedicated to "THE BENTLEY HANDBAG COLLECTION". From close-up pictures of the detailing on these bags, BENTLEY appears in a number of

places. Ms Pridding states that the handbag collection was introduced in 2013. There are also examples of furniture for the home.

26. Exhibit JP9 contains examples of partnership products, including: “VERTU for BENTLEY” (a luxury mobile phone), “BREITLING for BENTLEY” (a luxury watch), “LALIQUE” (fine glassmaker and perfume), “TIBALDO for BENTLEY” (fine writing implements) and “ZAI for BENTLEY” (skiing equipment).

27. Sales figures for merchandise in the UK has ranged between £67k in 2009 to £205K in 2013. Figures for five other EU countries are given. Germany is the biggest, followed by France. In total, the figures for the five countries combined range between just over £70k in 2009 to around £160k in 2013. The overseas turnover does not assist because it is goodwill in the UK that is being considered. Ms Pridding states that a “substantial amount of money” (several million) is spent on promotion of the BENTLEY name, but this cannot be broken down.

28. One difficulty with the evidence is that the sales figures have not been broken down by product type, therefore, one does not know how many of each type of product has been sold. Further, as the prints are not dated, it is not possible to ascertain whether they were all sold during the period of time covered by the turnover figures. Nevertheless, the sense one gets from the evidence as a whole is that a variety of BENTLEY branded goods have been offered for sale. Ms Pridding states that clothing has been sold for 15 years. The provided turnover figures start only in 2009. The figures at that point are not overly significant (although they are not trivial), but there is no way of knowing what level they were at earlier points in time, and consequently, whether such a level was trivial. In terms of the signage used on the goods, whilst some of the examples are not the clearest, it is clear that BENTLEY is used as part of the branding. It would be counterintuitive to believe otherwise given that the sales of the goods in question are described as merchandised sales, in furtherance of its goodwill in the motor car business. Based on my assessment of the evidence, I make the following findings:

- i) The opponent’s business has a very strong goodwill in the field of motor cars dating back to the 1920s. The goodwill still exists today.
- ii) BENTLEY is the primary sign associated with the opponent’s goodwill.
- iii) The goodwill has expanded into the field of merchandised goods, including in respect of clothing, but also in relation to items such as umbrellas, cufflinks, briefcases, wallets and key rings etc. The merchandise business further expanded to cover womens’ bags in 2013.
- iv) It is not possible to ascertain the exact date when goodwill in the merchandised goods was established. I am, though, prepared to accept that a more than trivial goodwill was established by 2009 at the latest.
- v) In relation to clothing, the goods offered by the opponent include t-shirts, polo shirts, coats, jackets, caps, scarves, beanie hats, belts and fleeces.

The applicant's business

29. The applicant's witness is Mr Christopher Lees, a director of the applicant company (Brandlogic), and, also, a director of what he says is a related (part of the same group) company called Bentley 1962 Limited. His father, Robert, and brother, Richard, are also directors of both companies. Both companies were incorporated in 1997.

30. Mr Lees states that the BENTLEY clothing brand was established in 1962 by the applicant's predecessor in title. The original founder was, apparently, a Mr Gerald Bentley. No information is given about the predecessor in title, whether it was another company, or was just a business ran by Mr Bentley. Indeed, it is not even clear if the predecessor in title was Mr Bentley (or a company of his). Nor is it stated when the applicant acquired the brand or whether the goodwill was acquired as part of any deal. Nevertheless, Mr Lees states that in consequence of all this, the brand has been used for over 50 year. He adds that the brand has consistently been used in conjunction with the numerals 1962. Some examples in Exhibit 1 show use of the name BENTLEY (often presented above a stylised B logo) which carry indicia such as "est. 1962". The examples of use are not dated. Some look old, others are clearly more recent featuring, for example, domain names and *Facebook* links. Exhibit 2 shows the BENTLEY mark on labels, products and brochures. Again, none are dated. The products can best be described as men's polo shirts and jumpers, mainly with a sporting theme (such as golf).

31. Bentley 1962 Limited (the related company) own a number of UK trade marks which all prominently feature the word BENTLEY. The oldest (no. 1180215) is from the year 1982. Clearly, this dates from before Bentley 1962 Limited (or the applicant itself) were incorporated so neither the applicant, nor its so called related company, was the original applicant for the mark. The historical records show that the mark was filed by a company called R. Bentley (Knitwear) Limited and has been assigned a number of times over the years, culminating in its current ownership.

32. Mr Lees states that the BENTLEY brand has always been a valuable asset of an ongoing business. At its peak it apparently had retail sales of £5million per annum. It is not explained when this peak occurred. Mr Lees states that the products were stocked in high street stores and have also been sold on the Internet. It is stated that for many years "we" had a large team of in-house designers and up to 400 staff manufacturing high quality garments in the UK.

33. Mr Lees accepts that the business "slowed down". However, he adds that "it has continued to preserve and create market share". In "more recent times" Mr Lees states that the applicant has "devoted a great deal of time and effort developing the brand in the face of the opponent's infringing use". To further show its use, Mr Lees provides a number of invoices in Exhibit 3. They are for some sales that were made in 2015 to Baldwin Department Store (after the *prima facie* relevant date) totalling around £3k.

34. There are also some invoices addressed to "Bentley" from March 2010 from a business called BMB British Menswear Brands, but is it not clear what these are for. The commentary of Mr Lees does not assist in understanding what activity this

represents. I note that Mr Lees refers to costs incurred in preparing labels, swing tags etc. – the invoices include:

- i) An invoice from i-tex from 2014 headed “Bentley official pro-forma invoice”, again, it is not clear what this is for.
- ii) An invoice from Squashed Pixel relating to “Shopify Kickstarter project” from June 2014 and April 2014.
- iii) Invoices from June 2013 from Weavabel for tickets and labels dated May and June 2013.
- iv) An invoice from Paul Cartright from December 2012 relating to “Bentley t-shirt graphic design” and further invoices from that year for further artwork and a web design holding page.
- v) An invoice for t-shirt design from Squashed Pixel from December 2014.
- vi) An invoice from Loomland from February 2015 for what appears to be t-shirt printing.
- vii) An invoice from July 2013 from Tips and Trends possibly for garment samples.

35. There are also some further exhibits as follows:

- viii) Exhibit 4 contains what are said to be designs from the 2014 product range: sweaters, hoodies, polo shirts, t-shirts; trousers (all appear to be men’s) which all feature the BENTLEY name, some also use the 1962 designation in close conjunction.
- ix) Exhibit 5 shows the 2012 product range. This is in the form of proof prints, all for t-shirts, featuring BENTLEY. The proofs have a 2012 copyright date at the bottom of the print.
- x) Exhibit 6 shows designs from the 2014 Autumn/Winter range, hoodies, t-shirts, polo shirts, sweaters, jumpers, beanies, socks, again in proof format.
- xi) Exhibit 7 contains what are said to be examples of labelling and swing tags dated 2011-2013: again, all are in proof form
- xii) Exhibit 8 contains “further examples of Bentley labelling used on our product in the last five years - polo shirts, trousers, sweatshirts, t-shirts, hoodies”
- xiii) Exhibit 9 shows point of sale materials from 2014 – 2015, they again show BENTLEY (with its sporting theme) but no products.
- xiv) Exhibit 10 shows website extracts and its Facebook page (with 30k likes) the latter appears to demonstrate that the Facebook page was created in 2012.

36. There are a number of problems with the applicant’s evidence. Firstly, despite Mr Lees’ claim that the business was previously operated through a predecessor in title, no evidence is given about the predecessor, nor any evidence as to the mechanism through which any goodwill that may have been generated was passed to the

applicant. Secondly, even if goodwill had been generated, the evidence is so lacking in detail as regards to sales, that no real objective assessment as to the existence of goodwill can be made. Reference is made to a turnover of £5million per annum in its heyday. Even if I were to accept this, it is not clear when this heyday was, nor is there any evidence to show what sales were made subsequent to the heyday. Mr Lees accepts that there was a downturn. He does state that the use of the mark preserved market share, however, what was being preserved is not set out, nor is there anything on which to make an objective assessment as to whether any goodwill that may have been generated continued.

37. Evidence is then provided of the applicant's recent activity. However, there is no evidence of any sales until the invoices from 2015, which are after the *prima facie* relevant date. I accept that there are signs of some activity in the years prior to that, albeit from the end of 2011 at the earliest. The invoices from 2010 do not assist because it is not clear what they are for. This could, of course, have merely been preparations for trading. Even if some sales were generated, this is no evidence upon which to make an objective assessment as to whether a more than trivial goodwill was being created. Even if it was, this is still junior to the opponent's goodwill which I have held was established (in terms of clothing and its other merchandised goods) in 2009 at the latest. Based on my assessment of the evidence, I make the following findings:

- i) The applicant is not entitled to rely on any goodwill generated by its claimed predecessor in title.
- ii) Even if this is wrong, there is no evidence to show that any goodwill generated in its unspecified heyday, survived during the downturn in its business.
- iii) There is no evidence to show that there is any residual goodwill.
- iv) Any independent goodwill created by the applicant was created after the *prima facie* relevant date.
- v) Even if this is wrong, any relevant goodwill has not been shown to have been created before 2011 at the earliest.

38. In view of the above findings, the only relevant date is, therefore, the date of application. The opponent had a protectable goodwill at that date. In view of point v) above, I should record that even if the applicant began using its mark in 2011, the opponent also had goodwill then.

Misrepresentation

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

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

"is it, on a balance of probabilities, likely that, if the appellants are not restrained as they have been, a substantial number of members of the

public will be misled into purchasing the defendants' [product] in the belief that it is the respondents'[product]"

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

And later in the same judgment:

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

40. The applied for mark consists of **BENTLEY 1962**. Although the 1962 element is not to be ignored, the BENTLEY element will strike the consumer as more memorable. In my view, 1962 is likely to be seen as a reference to a year. Indeed, the applicant makes much of its use of 1962 which, from the material it did file, is used to signify a year of establishment. The applicant submits that the addition of 1962 "creates a somewhat different overall impression". I do not see the element as creating that much of a difference (but there is clearly some difference). I consider there to be a good deal of similarity between the applied for mark and the sign **BENTLEY**.

41. Whilst the range of goods offered by the opponent is wider than just clothing, clothing forms a key part of its merchandising business. Thus, there is similarity in the fields of activity concerned, notwithstanding the fact that the opponent's main business is in the field of motor cars.

42. I come to the view that members of the public who are aware of the opponent's goodwill in respect of its merchandised goods will believe that the goods sold under the applied for mark are those of the opponent. The addition of the year 1962 will not avoid such a belief, instead, the addition of the year will be assumed to have some form of significance with the opponent's business. This leads me to the conclusion that a substantial number of members of the public will be misled.

43. If there is any doubt in matter, this can, in my view, be dispelled by considering that the opponent's goodwill in relation to motor cars is so strong, that a proportion of members of the public familiar only with that goodwill will also make the wrong assumption I have described above. Whilst the evidence relating to car brands extending their trade to clothing items is not overwhelming, it is no stretch of the imagination to see that this would be a logical move, particularly for a prestigious car manufacturer. Indeed, I note from the applicant's evidence (as I will go on to summarise in paragraph 61. i)) that the applicant highlighted to the opponent the potential benefit in such expansion, using Ferrari as an example). Whilst I accept, as the applicant submits, that BENTLEY *per se* is not a highly unusual name and is not

unique to the opponent (the applicant's evidence shows that a number of traders have adopted the name across certain fields¹), this does not rule out all potential for misrepresentation. Many of the examples of other BENTLEY traders are in fields where, unlike clothing, one would less readily assume that the motor car business has branched out. Whilst the view I have expressed with regard to misrepresentation may not represent the majority view, it will be the view of a sufficiently significant minority of the opponent's customers and potential customers which, in itself, will constitute a substantial number of persons.

Damage

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

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

45. In relation to a misrepresentation based upon the opponent's goodwill in merchandised clothing, there is clear potential for damage based upon a direct loss of sales. There is also potential for damage more generally. In *Ewing v Buttercup Margarine Company, Limited*, [1917] 2 Ch. 1 (COA), Warrington L.J. stated that:

"To induce the belief that my business is a branch of another man's business may do that other man damage in various ways. The quality of goods I sell, the kind of business I do, the credit or otherwise which I enjoy are all things which may injure the other man who is assumed wrongly to be associated with me."

46. This form of damage is particularly important given the prestige associated with BENTLEY motor cars.

47. In view of the findings I have made, and all things being equal, I consider that the ground under section 5(4)(a) is made out in relation to all the applied for goods. In reaching this finding I have borne in mind that, notionally speaking, the applied for specification covers all types of clothing, footwear and headgear. Potentially, this includes types of goods which may have less similarity with the types of clothing the

¹ See the evidence of Ms Pang showing the websites of 20 business that have BENTLEY in their name and, also, the evidence of Mr Grimshaw showing that BENTLEY is a popular surname, locational name and occurs in a fairly large number of trade mark and company name registrations.

opponent has sold. However, whilst this may be so, the applicant has not put forward any form of revised specification for consideration. Furthermore, the type of goods the applicant appears interested in, as set out in its evidence, are items such as sweaters, t-shirts, polo shirts etc. These are identical, or virtually identical, to the goods the opponent has sold. Therefore, I see no need to consider any fall back positions.

Acquiescence

48. In the preceding paragraph I have used the words “all things being equal”. I say this because in its written submissions filed in lieu of a hearing, the applicant’s representatives state that the various discussions that have taken place between the parties in the past means that the opponent has acquiesced to the applicant’s use. It should firstly be noted that in its counterstatement the applicant makes no mention whatsoever of acquiescence. In my view, if such a defence is to be relied upon then it ought to be pleaded up front so that the opponent fully knows the position of the applicant. Whilst it is true that the evidence of both sides covers the discussions that took place, prejudice could still arise because the full nature and scope of the defence would not have been considered until the opponent knew that the defence was to be relied upon. For this reason alone, I dismiss the acquiescence defence argued in the applicant’s written submissions. However, for sake of completeness, and in case of appeal on this point, I will nevertheless give my views.

49. I have already set out the evidence provided by Mr Lees with regard to the applicant’s business. I will not repeat it here. The further evidence Mr Lees gives is about various discussions that took place between him and the opponent. This was initially in 1998/1999 and, also, later in 2005/2006. The thrust of the meetings were to see if the opponent wished to enter into some form of commercial agreement with the applicant.

50. The provisions of statutory acquiescence are:

“48. - (1) Where the proprietor of an earlier trade mark or other earlier right has acquiesced for continuous period of five years in the use of a registered trade mark in the United Kingdom, being aware of that use, there shall cease to be any entitlement on the basis of that earlier trade mark or other right-

(a) to apply for a declaration that the registration of the later trade mark is invalid, or

(b) to oppose the use of the later trade mark in relation to the goods or services in relation to which it has been so used, unless the registration of the later trade mark was applied for in bad faith.”

51. Statutory acquiescence does not apply because such provisions relate to the owner of an earlier trade mark or right acquiescing (for more than five years) to the use of a later registered trade mark. The opposed mark is not registered.

52. However, there is also what is known as common law acquiescence, or estoppel by acquiescence. Halsbury’s Laws of England defines acquiescence as follows:

“The term ‘acquiescence’ is...properly used where a person having a right, and seeing another person about to commit, or in the course of committing, an act infringing that right, stands by in such a manner as really to induce the person committing the act, and who might otherwise have abstained from it, to believe that he assents to its being committed; a person so standing by cannot afterwards be heard to complain of the act. In that sense the doctrine of acquiescence may be defined as quiescence under such circumstances that assent may be reasonably inferred from it, and is no more than an instance of the law of estoppel by words or conduct...”

53. In *Ramsden v Dyson* HOL (1866) it was stated:

“Whether you call it proprietary estoppel, estoppel by acquiescence or estoppel by encouragement is really immaterial...[it] requires a very much broader approach which is directed rather at ascertaining where, in particular individual circumstances, it would be unconscionable for a party to be permitted to deny that which...he has allowed or encouraged another to assume to his detriment”.

54. Also, in *Dyson v Qualtex* [2004] Mann J stated:

“It is hard to see why, as a matter of principle, mere acquiescence or inaction on the part of a right owner (even if with knowledge of rights) should make it inequitable to insist on enforcement of rights in the future. However, if encouragement or the creation of expectation is added, then the picture changes.”

55. Taking the case-law in the round, I must be satisfied that the opponent encouraged or allowed what it now complains of, and for the applicant to have acted upon that encouragement. It is, essentially, a question of whether the conduct that took place makes the complaint now made unconscionable. At this point, it is worth looking at what took place during the various discussions.

The 1998/9 discussions

56. Mr Lees states that “we” (by this time the applicant and its related company had been incorporated) wanted “to discuss the possibility of offering them a license to use my company’s BENTLEY branding in relation to clothing products”. Mr Lees states that he was the owner of the rights at that time. He states that the opponent was itself struggling, having being overshadowed by Rolls Royce and they wanted to help rebuild the brand, so the applicant offered to use its “expertise and long-established and registered BENTLEY mark”. Exhibit 11 contains the relevant correspondence, as follows.

57. The first letter is from the opponent to Mr Lees. It refers to a previous conversation between Mr Lees’ father and a Mr Peters of the opponent. The letter writer refers to a comment made in the previous phone call regarding Mr Lees’ claimed link to a company which is the “owner of the brand BENTLEY for clothing”. The letter writer (Mr Duddy, Company Secretary) asks Mr Lees to confirm the name of the associated company and the basis upon which ownership is claimed. He also asks for information about the brand, e.g. the type of goods, the revenue over the last 3-5 years, and the

style of retail outlets. Once the information is received, Mr Duddy states that we will be able to evaluate the proposal and find an appropriate way forward.

58. The second letter is dated 12 January 1999. It is from Nextstand Ltd (a previous name of Bentley 1962 Limited). It is from Mr Lees to Mr Duddy. He again refers to another phone call and another letter that has not been supplied. Mr Lees is asking about getting some samples back from the opponent. He suggests a meeting to discuss the proposals. He suggests that work should start in February [1999] for the year 2000 and he would like to know soon whether or not the opponent wishes to be involved. He adds that although eager to work with the opponent, he does not wish to prejudice other options.

59. Mr Armitage and Ms Pridding both briefly comment on this. They explain that they were not working for the opponent at the time so cannot provide evidence on this. Ms Pridding highlights, as I have done, that not all communications have been provided.

60. There is nothing in these discussions that constitute acquiescence. The applicant approached the opponent with a view to making a business arrangement, a business arrangement that did not materialise. Whilst there is reference to the return of some samples, this may have been no more than samples of the proposed business relationship as opposed to demonstrating an existing and ongoing business of the applicant.

The 2005-2007 discussions plus contact in 2009

61. Matters then move forward five years. The discussions that took place appear to have stemmed from the applicant becoming aware that the opponent had filed for a community trade mark (CTM) consisting of the word BENTLEY for various goods including goods in class 25. Mr Lees provides the following letters:

- i) A letter from the applicant to the opponent dated 29 January 2005. The opponent is advised that the applicant has become aware of its mark and will object to it if necessary. Reference is made to the previous discussions and that in view of this the applicant was surprised that the opponent did not make contact before filing for the mark. The applicant advises that it has considerable experience in the clothing field (other brands as well as BENTLEY are mentioned) and that it has continuously used BENTLEY for clothing for many years. It adds that the reasons for the initial contact still apply (to enter some form of commercial relationship), it welcomes discussions with regard to expanding the motor car brand, and it highlights that this could be beneficial to the opponent (it highlights the potential for financial gain by using Ferrari as an example).
- ii) A letter from the opponent to the applicant (albeit via the respective representatives at that time) dated 21 March 2005. The opponent notes that it would not wish to encroach on any valid rights the applicant may have. It notes from the applicant's rights (presumably its trade mark registrations) that there has been a marked progression in coverage over time and wonders whether there is a likelihood of confusion given the presumably very different consumers. The opponent highlights its strong reputation and

renown, but due to the nature of its renown, this means that its potential consumer base is likely to be limited. This may assist in co-existence being possible in the marketplace.

- iii) A letter from the applicant to the opponent (via representatives) dated 24 October 2005. This mainly points out that the applicant has viewed the opponent's clothing products which are for sale, which they assume are produced by a licensee. The applicant repeats its claims regarding its history and experience in the clothing field. The applicant is interested in making an approach to settle the opposition, clarifying matters regarding use of the trade mark BENTLEY for clothing and exploring mutually beneficial opportunities. It asks for a contact point with whom to enter preliminary negotiations.
- iv) A letter from the opponent to the applicant (via representatives) dated 4 November 2005. The parties have agreed to a cooling-off period relating to the opponent's CTM. The opponent hopes the matter can be settled amicably and some form of commercial agreement put in place. The opponent asks for more materials and information about the use that has been made by the applicant of BENTLEY in the UK. A contact is provided for negotiations.
- v) A note of a meeting between the applicant (specifically Christopher Lees and Robert Lees) and the opponent (Mr Armitage (general counsel) and Ms Mitchell (Head of luxury Goods)). The meeting took place on 9 October 2006. The notes are addressed to "Alistair" who at that time was representing the Lees family, thus, it is written by Mr [Christopher] Lees. At the meeting the opponent advised the applicant of its work so far relating to its intention to launch a range of clothing – some preparatory work had been done but not progressed due to cost. The applicant apparently expressed surprise about this because it was the owner of the trade mark in the UK. Nevertheless, the applicant re-affirmed its willingness that it would work with the opponent on an appropriate range of exclusive luxury clothing and that it would be willing to negotiate an exclusive license. It was apparently explained by the applicant that it would prefer to reach a fair agreement with the opponent, the income from which would at least be equal to continuing with the BENTLEY label under its own control. The applicant was apparently asked to provide a written proposal, which it agreed to provide.
- vi) A letter from the applicant to the opponent dated 28 March 2007 containing some written proposals. The applicant explains that although its business could be rapidly expanded by targeting the label on low to mid-price garments, its better long term future lies in higher price garments in the luxury sector and that an agreement with the opponent would enable this to proceed more quickly. The proposal is for the opponent to become an exclusive licensee for an upfront cost of £75k with annual royalties of 5% with a minimum of £75k. The upfront cost would also compensate for past infringements.

- vii) An email from the opponent to the applicant dated 2 May 2007. The opponent advises that at the present time clothing is not seen as a major growth area and that it has other priorities; “Given this, whilst we appreciate that you have put your other plans on hold so that we could consider your proposals, I think that you should continue with your other plans”.
- viii) Finally, there are a number of emails from 2009 concerning a third party called Vocati. The background is that the applicant spotted potential infringement of its mark by Vocati (and also a new trade mark filed by it). The applicant alerted the opponent (the alleged infringing use also included use of something similar to the opponent’s B logo). The opponent thanks the applicant for highlighting this and there are some exchanges as to progress made. At one point the applicant suggests, again, that they come to some form of arrangement concerning its mark.

62. I do not need to summarise in detail what Mr Lees states in his accompanying commentary, as much of it is simply a chronological commentary of the exchanges set out above. He states that the applicant tried to resolve the situation and that the opponent showed some signs of encouragement in this regard. He sums up by stating that the opponent has been well aware of the applicant’s rights in the mark BENTLEY in the clothing sector for many years and have indicated their desire to co-exist in the marketplace.

63. The opponent’s witnesses comment on the above exchanges. Ms Pridding states that she was involved in the 2005 opposition proceedings. She accepts that the letters were exchanged and the meeting took place. She notes that there is nothing in the correspondence to show that the requested materials/information about the applicant’s business was provided. She does not personally recall seeing anything. The opponent considered that the proposals were excessive and that the Lees’ brothers were not suitable partners. She states that the class 25 part of its CTM was eventually deleted to avoid undue protraction of its application. No undertakings were ever given or requested. No infringement proceedings have ever been instigated and the opponent has continued to sell its clothing. One of Ms Pridding’s roles is to monitor the market for potential infringement, including any sales made by the applicant. She has done this since around 2007 – she has never found any use by the applicant. She accepts that the opponent has been aware of the applicant’s trade marks, but not of any use.

64. Mr Armitage also gives evidence about the discussions. He was at the relevant meeting. In relation to the note of the meeting, he states that due to the lapse of time he cannot recall the precise details. He does, though, say that the meeting was not in any way hostile and the Lees brothers very amenable. The proposals made centred on the opponent becoming a licensee of the applicant. He does not recall any samples of the applicant’s products being provided and as far as he was aware they were not selling any BENTLEY products at that time. He states that the written proposal was not acceptable and that the brothers were not known to the opponent as an established company with a proven track record in quality clothing. It appeared that they were simply offering a licence to use the BENTLEY mark which they did not appear to be using, or at least not for many years. He states that in the meetings the Lees brothers had indicated their preference to work with the opponent, but if not they

would pursue the development and sale of their own range of clothing. He has not been made aware of any sale of BENTLEY branded clothing by the applicant.

65. It is clear from the above that the opponent has known of the applicant's existing trade marks for some time, but this is nothing new given that it was made aware of them when the parties discussed matters in 1998/99. The main difference as a result of this second round of discussions is that they are set against the backdrop of the applicant's opposition to the opponent's CTM. Whilst this is so, the thrust of the discussions is still the same, the applicant trying to get the opponent to take a license to use its marks. I accept that the second round discussions progressed further to a formal meeting and subsequent proposals (from the applicant) in writing. However, the proposals are just that, proposals. The proposals never got off the ground. The opponent refused the applicant's suggestion that an exclusive licence be taken out. The opponent carried on with its own plans which, from the evidence I have set earlier, led to continued sales of clothing products under the BENTLEY name.

66. The thrust of acquiescence, applied to this case, is whether it is unconscionable for the opponent to deny the registration of a mark which it has in some way encouraged the use of. Firstly, of course, the subject mark is not BENTLEY per se, but BENTLEY 1962. This, though, is not fatal because the key component is BENTLEY and that is the mark the subject of the discussions. However, I consider the absence of anything to show what the opponent knew of the applicant's business is a bigger problem. Indeed, there is little to show that the applicant was even trading at that time. Also, there is nothing to show what the applicant was planning to do in the event that its discussions with the opponent bore no fruit. Whilst there is an oblique reference to other avenues being pursued, it is clear that the opponent did not know exactly what they were. I think it probable that most businessmen would see this as little more than a bargaining tool. Furthermore, by the time that the applicant filed the subject mark, the landscape had changed, with the opponent having established goodwill. The closest one gets to any form of encouragement comes in the email noted at point vii) above where Mr Armitage concludes:

"Given this, whilst we appreciate that you have put your other plans on hold so that we could consider your proposals, I think that you should continue with your other plans"

67. However, the plans are not known, the plans were not acted upon to any material extent, and the opponent then built its own goodwill. Furthermore, whatever the plans were, they could only have related to the use of existing marks (not the subject mark), thus there was no encouragement to registrar the subject mark (or indeed any mark at all). The opponent would hardly encourage the applicant to obtain further exclusive rights to the types of mark the opponent contemplated (or was) using itself. It is not unconscionable for the opponent to object to the registration of a new mark, in the circumstances described, which would breach the law of passing-off. **The defence, even if it had been properly pleaded, fails.**

Conclusions under section 5(4)(a)

68. The ground of opposition succeeds under section 5(4)(a) in relation to all of the applied for goods in class 25. There is no properly pleaded defence of acquiescence, but even if there was, it would have failed on the facts.

Section 5(2)(b)

69. Section 5(2)(b) of the Act states that:

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

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,

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

70. The following principles are gleaned from the judgments of the EU courts in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P.

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

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

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

(e) nevertheless, the overall impression conveyed to the public by a composite trade mark may be dominated by one or more of its components;

(f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

(g) a lesser degree of similarity between the goods or services may be offset by a great degree of similarity between the marks, and vice versa;

(h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;

(i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;

(j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;

(k) if the association between the marks creates a risk that the public will wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

The marks being relied upon under this ground

71. The opponent relies on three² CTM applications/registrations. Their details, to the extent that they are relied upon, are set out below³:

A) CTM 12729083 for the mark **BENTLEY**

The following goods are relied upon:

Class 9: Optical apparatus; eyewear; sunglasses and accessories therefor.

Class 14: Jewellery, watches, clocks, cufflinks, tie pins and keyrings.

Class 18: Leather goods, bags, handbags, suitcases, purses, wallets, umbrellas.

This earlier mark has yet to be registered and is the subject of an opposition at OHIM.

B) CTM 3925187 for the mark **BENTLEY**

The following goods are relied upon:

Class 9: Car radios, CD wallets etc.

Class 14: Jewellery, watches, clocks.

² There was initially a 4th CTM relied upon, but reliance on this was withdrawn on 4 March 2015.

³ The information is taken from Ms Scott's skeleton argument.

Class 18: Leather goods, umbrellas, bags, suitcases, wallets, purses.

This mark completed its registration procedure on 13 May 2008 and, therefore, is subject to the proof of use provisions set out in section 6A of the Act.

C) CTM 8983546 for the mark **BENTLEY**

The following goods are relied upon:

Class 9: Sunglasses and accessories therefore, accessories for mobile phones.

Class 28: Toys, games and playthings, sporting articles, skis.

This earlier mark completed its registration process on 20 September 2010 and, therefore, is not subject to the proof of use provisions.

The proof of use provisions

72. Only mark B is subject to the proof of use provisions. Although Mark A covers some of the goods of Mark B, it is not a registered mark meaning that any findings based upon it can only be provisional. Therefore, it is still useful to consider the proof of use provisions to the extent that they apply to Mark B as that mark can give rise to a final finding. However, and as I indicated at the hearing, there is no point in assessing whether genuine use has been made of the mark in relation to goods which are self-evidently and obviously not similar. For example, the goods in class 9 of Mark B (car radios, CD wallets etc) have no points of similarity at all with clothing. I will, though, consider whether genuine use has been made in relation to the class 14 and 18 goods of Mark B as there is at least greater room for argument that these goods are similar to clothing.

73. The use conditions are set out in section 6A of the Act as follows:

“(3) The use conditions are met if –

(a) within the period of five years ending with the date of publication of the application the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered [.....]”

(4) For these purposes -

(a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered [.....]

(5) “In relation to a Community trade mark [.....], any reference in subsection (3) [.....] to the United Kingdom shall be construed as a reference to the European Community”.

74. Section 100 is also relevant, it reads:

“If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it.”

75. In *Stichting BDO and others v BDO Unibank, Inc and others* [2013] EWHC 418 (Ch), Arnold J commented on the case-law of the Court of Justice of the European Union (CJEU) in relation to genuine use of a trade mark:

“In *SANT AMBROEUS Trade Mark* [2010] RPC 28 at [42] Anna Carboni sitting as the Appointed Person set out the following helpful summary of the jurisprudence of the CJEU in Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, Case C-259/02 *La Mer Technology Inc v Laboratories Goemar SA* [2004] ECR I-1159 and Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759 (to which I have added references to Case C-416/04 P *Sunrider v OHIM* [2006] ECR I-4237):

"(1) Genuine use means actual use of the mark by the proprietor or a third party with authority to use the mark: *Ansul*, [35] and [37].

(2) The use must be more than merely 'token', which means in this context that it must not serve solely to preserve the rights conferred by the registration: *Ansul*, [36].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end-user by enabling him, without any possibility of confusion, to distinguish the goods or services from others which have another origin: *Ansul*, [36]; *Sunrider*, [70]; *Silberquelle*, [17].

(4) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, i.e. exploitation that is aimed at maintaining or creating an outlet for the goods or services or a share in that market: *Ansul*, [37]-[38]; *Silberquelle*, [18].

(a) Example that meets this criterion: preparations to put goods or services on the market, such as advertising campaigns: *Ansul*, [37].

(b) Examples that do not meet this criterion: (i) internal use by the proprietor: *Ansul*, [37]; (ii) the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle*, [20]-[21].

(5) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including in particular, the nature of the goods or services at issue, the characteristics of the market concerned, the scale and frequency of use of the mark, whether the mark is used for the purpose of marketing all

the goods and services covered by the mark or just some of them, and the evidence that the proprietor is able to provide: *Ansul*, [38] and [39]; *La Mer*, [22]-[23]; *Sunrider*, [70]-[71].

(6) Use of the mark need not always be quantitatively significant for it to be deemed genuine. There is no *de minimis* rule. Even minimal use may qualify as genuine use if it is the sort of use that is appropriate in the economic sector concerned for preserving or creating market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor: *Ansul*, [39]; *La Mer*, [21], [24] and [25]; *Sunrider*, [72]”

76. The earlier mark is a CTM, therefore, in accordance with section 6A(5) of the Act, the earlier mark must have been put to genuine use in the EU. In its judgment in *Leno Merken BV v Hagelkruis Beheer BV* C-49/11 (ONEL) the CJEU stated:

“28 The Court has already - in the judgments in *Ansul* and *Sunrider v OHIM* and the order in *La Mer Technology* - interpreted the concept of 'genuine use' in the context of the assessment of whether national trade marks had been put to genuine use, considering it to be an autonomous concept of European Union law which must be given a uniform interpretation.

29 It follows from that line of authority that there is 'genuine use' of a trade mark where the mark is used in accordance with its essential function, which is to guarantee the identity of the origin of the goods or services for which it is registered, in order to create or preserve an outlet for those goods or services; genuine use does not include token use for the sole purpose of preserving the rights conferred by the mark. When assessing whether use of the trade mark is genuine, regard must be had to all the facts and circumstances relevant to establishing whether there is real commercial exploitation of the mark in the course of trade, particularly the usages regarded as warranted in the economic sector concerned as a means of maintaining or creating market share for the goods or services protected by the mark, the nature of those goods or services, the characteristics of the market and the scale and frequency of use of the mark (see *Ansul*, paragraph 43, *Sunrider v OHIM*, paragraph 70, and the order in *La Mer Technology*, paragraph 27).

30 The Court has also stated that the territorial scope of the use is only one of several factors to be taken into account in the determination of whether that use is genuine or not (see *Sunrider v OHIM*, paragraph 76).

31 That interpretation may be applied by analogy to Community trade marks since, in requiring that the trade mark be put to genuine use, Directive 2008/95 and Regulation No 207/2009 pursue the same objective.”

77. Regarding the territorial scope of the use, the CJEU went on to state:

“52 Some of the interested persons to have submitted observations to the Court also maintain that, even if the borders of the Member States within the internal market are disregarded, the condition of genuine use of a Community trade mark requires that the trade mark should be used in a substantial part of the Community, which may correspond to the territory of a Member State. They argue that such a condition follows, by analogy, from Case C-375/97 *General Motors* [1999] ECR I-5421, paragraph 28, Case C-328/06 *Nieto Nuño* [2007] ECR I-10093, paragraph 17, and Case C-301/07 *PAGO International* [2009] ECR I-9429, paragraph 27).

53 That argument cannot be accepted. First, the cases in question concern the interpretation of provisions relating to the extended protection conferred on trade marks that have a reputation or are well known in the Community or in the Member State in which they have been registered. However, the requirement for genuine use, which could result in an opposition being rejected or even in the trade mark being revoked, as provided for in particular in Article 51 of Regulation No 207/2009, pursues a different objective from those provisions.

54 Second, whilst it is reasonable to expect that a Community trade mark should be used in a larger area than a national mark, it is not necessary that the mark should be used in an extensive geographic area for the use to be deemed genuine, since such a qualification will depend on the characteristics of the product or service concerned on the corresponding market (see, by analogy, with regard to the scale of the use, *Ansul*, paragraph 39).

55 Since the assessment of whether the use of the trade mark is genuine is carried out by reference to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark serves to create or maintain market shares for the goods or services for which it was registered, it is impossible to determine a priori, and in the abstract, what territorial scope should be chosen in order to determine whether the use of the mark is genuine or not. A *de minimis* rule, which would not allow the national court to appraise all the circumstances of the dispute before it, cannot therefore be laid down (see, by analogy, the order in *La Mer Technology*, paragraphs 25 and 27, and the judgment in *Sunrider v OHIM*, paragraphs 72 and 77).”

78. As per section 6A(3)(a) of the Act, the relevant period in which genuine use must be established is the five period ending on the date of publication of the applied for mark, so, in these proceedings, the relevant period is 16 August 2009 to 15 August 2014. I have already summarised the opponent's evidence of use, I will not repeat it here.

79. The goods for which I am considering genuine use are those in classes 14 & 18 of Mark B, namely:

Class 14: Jewellery, watches, clocks.

Class 18: Leather goods, umbrellas, bags, suitcases, wallets, purses.

80. In terms of potential use in class 14, I note from the evidence use in relation to cufflinks (which I consider an item of jewellery, given its use is for personal adornment), watches and clocks (the latter two being in collaboration with Breitling). In terms of potential use in class 18, I note use in relation to umbrellas, bags (handbags, weekend bags and sports bags), wallets (but not purses) and various items of “leather goods” such as briefcases and credit card holders.

81. I have used the words “potential use” because I must be satisfied that the use shown in the evidence supports genuine use during the relevant period. As I stated earlier, it would have been better if the sales figures had been broken down, by year. All that being said, throughout the large number of documents in exhibit JP7 there are multiple examples of products such as cufflinks, briefcases, wallets, bags, watches and umbrellas. Whilst the relatively modest turnover (for all merchandise goods) suggests that the sales must be small, I am satisfied that for these goods the nature of use supports a finding of genuine use. The sales in other EU Member States is also helpful here given that the earlier mark is a CTM.

82. In relation to coming up with a fair specification to reflect the use made, I note that Mr Geoffrey Hobbs Q.C. (sitting as the Appointed Person), when deciding case *Euro Gida Sanayi Ve Ticaret Limited v Gima (UK) Limited* (BL O/345/10), stated:

“In the present state of the law, fair protection is to be achieved by identifying and defining not the particular examples of goods or services for which there has been genuine use but the particular categories of goods or services they should realistically be taken to exemplify. For that purpose the terminology of the resulting specification should accord with the perceptions of the average consumer of the goods or services concerned.”

83. More recently, in *Roger Maier and Another v ASOS*, [2015] EWCA Civ 220, Kitchen L.J. (with whom Underhill L.J. agreed) set out the correct approach for devising a fair specification where the mark has not been used for all the goods/services for which it is registered; he said:

“63. The task of the court is to arrive, in the end, at a fair specification and this in turn involves ascertaining how the average consumer would describe the goods or services in relation to which the mark has been used, and considering the purpose and intended use of those goods or services. This I understand to be the approach adopted by this court in the earlier cases of *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2002] EWCA Civ 1828, [2003] RPC 32; and in *West v Fuller Smith & Turner plc* [2003] EWCA Civ 48, [2003] FSR 44. To my mind a very helpful exposition was provided by Jacob J (as he then was) in *ANIMAL Trade Mark* [2003] EWHC 1589 (Ch); [2004] FSR 19. He said at paragraph [20]:

“... I do not think there is anything technical about this: the consumer is not expected to think in a pernicky way because the average consumer does not do so. In coming to a fair description the notional average consumer must, I think, be taken to know the purpose of the

description. Otherwise they might choose something too narrow or too wide. ... Thus the "fair description" is one which would be given in the context of trade mark protection. So one must assume that the average consumer is told that the mark will get absolute protection ("the umbra") for use of the identical mark for any goods coming within his description and protection depending on confusability for a similar mark or the same mark on similar goods ("the penumbra"). A lot depends on the nature of the goods – are they specialist or of a more general, everyday nature? Has there been use for just one specific item or for a range of goods? Are the goods on the High Street? And so on. The whole exercise consists in the end of forming a value judgment as to the appropriate specification having regard to the use which has been made."

64. Importantly, Jacob J there explained and I would respectfully agree that the court must form a value judgment as to the appropriate specification having regard to the use which has been made. But I would add that, in doing so, regard must also be had to the guidance given by the General Court in the later cases to which I have referred. Accordingly I believe the approach to be adopted is, in essence, a relatively simple one. The court must identify the goods or services in relation to which the mark has been used in the relevant period and consider how the average consumer would fairly describe them. In carrying out that exercise the court must have regard to the categories of goods or services for which the mark is registered and the extent to which those categories are described in general terms. If those categories are described in terms which are sufficiently broad so as to allow the identification within them of various sub-categories which are capable of being viewed independently then proof of use in relation to only one or more of those sub-categories will not constitute use of the mark in relation to all the other sub-categories.

65. It follows that protection must not be cut down to those precise goods or services in relation to which the mark has been used. This would be to strip the proprietor of protection for all goods or services which the average consumer would consider belong to the same group or category as those for which the mark has been used and which are not in substance different from them. But conversely, if the average consumer would consider that the goods or services for which the mark has been used form a series of coherent categories or sub-categories then the registration must be limited accordingly. In my judgment it also follows that a proprietor cannot derive any real assistance from the, at times, broad terminology of the Nice Classification or from the fact that he may have secured a registration for a wide range of goods or services which are described in general terms. To the contrary, the purpose of the provision is to ensure that protection is only afforded to marks which have actually been used or, put another way, that marks are actually used for the goods or services for which they are registered."

84. I consider a fair specification to reflect the use made to be:

Class 14: Cufflinks, watches

Class 18: Leather goods being briefcases; umbrellas, bags, wallets

Comparison of goods

85. When making a comparison, all relevant factors relating to the goods/services in issue should be taken into account. In *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer* the Court of Justice of the European Union (“CJEU”) stated at paragraph 23 of its judgment:

“In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary.”

86. Guidance on this issue has also come from Jacob J In *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281 where the following factors were highlighted as being relevant when making the comparison:

- “(a) The respective uses of the respective goods or services;
- (b) The respective users of the respective goods or services;
- (c) The physical nature of the goods or acts of service;
- (d) The respective trade channels through which the goods or services reach the market;
- (e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;
- (f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.”

87. In terms of being complementary (one of the factors referred to in *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer*), this relates to close connections or relationships that are important or indispensable for the use of the other. In *Boston Scientific Ltd v OHIM* Case T- 325/06 it was stated:

“It is true that goods are complementary if there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking (see, to that effect, Case T-169/03 Sergio Rossi v OHIM – Sissi Rossi (SISSI ROSSI) [2005] ECR II-685, paragraph 60, upheld

on appeal in Case C-214/05 P Rossi v OHIM [2006] ECR I-7057; Case T-364/05 Saint-Gobain Pam v OHIM – Propamsa (PAM PLUVIAL) [2007] ECR II-757, paragraph 94; and Case T-443/05 El Corte Inglés v OHIM – Bolaños Sabri (PiraNAM diseño original Juan Bolaños) [2007] ECR I-0000, paragraph 48).”

88. In relation to complementarity, I also bear in mind the guidance given by Mr Daniel Alexander QC, sitting as the Appointed Person, in case B/L O/255/13 *LOVE* where he warned against applying too rigid a test:

“20. In my judgment, the reference to “legal definition” suggests almost that the guidance in Boston is providing an alternative quasi-statutory approach to evaluating similarity, which I do not consider to be warranted. It is undoubtedly right to stress the importance of the fact that customers may think that responsibility for the goods lies with the same undertaking. However, it is neither necessary nor sufficient for a finding of similarity that the goods in question must be used together or that they are sold together. I therefore think that in this respect, the Hearing Officer was taking too rigid an approach to Boston.”

89. In relation to understanding what terms used in specifications mean/cover, the case-law informs me that “in construing a word used in a trade mark specification, one is concerned with how the product is, as a practical matter, regarded for the purposes of the trade”⁴ and that I must also bear in mind that words should be given their natural meaning within the context in which they are used; they cannot be given an unnaturally narrow meaning⁵. I also note the judgment of Mr Justice Floyd in *YouView TV Limited v Total Limited* where he stated:

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

90. The applied for specification is for “clothing, footwear and headgear” in class 25. The three earlier marks cover various items. I have already stated that the goods in class 9 of mark B (radios, CD cases etc) have no similarity so I will say no more about them. The remaining respective comparisons can be broken down as follows:

⁴ See *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281

⁵ See *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another* [2000] FSR 267

Comparison with jewellery (including cufflinks and tiepins), watches, clocks and key-rings

91. This comparison relates to terms in earlier mark's A and B. Looking firstly at cufflinks and tiepins, it is clear that the nature, purpose and methods of use of such items are quite different from clothing. However, there is a reasonably clear aspect of complementarity between cufflinks on the one hand, and shirts on the other, and, also, between tie-pins on the one hand, and ties on the other. A tiepin is not, however, complementary to shirts (or any other clothing item) and a cuff-link is not complementary to a tie (or any other clothing item). Where this complementarity exists, it is clear that it is of the type of relationship whereby the consumer would expect the same undertaking to be responsible for both, and both will be sold next to each other. Therefore, to this limited extent, there is similarity.

92. In relation to other items of jewellery and, also, watches, I do not see the same type of relationship. Whilst, for, example, a broach could be used to adorn a dress, neither item is important or indispensable for the use of the other. Even if that were not so, it is not the type of relationship where one would expect the same undertaking to be responsible for both. Neither are the goods generally sold in close proximity. The position is the same for watches - clocks are even further away.

93. In summary, tie pins are similar to ties and cufflinks are similar to shirts, the similarity being of a medium level.

Comparison with leather goods (including briefcases), bags (including handbags), suitcases, purses, wallets and umbrellas

94. This comparison relates to terms in earlier mark's A and B. It has been held in a number of cases that a complementary relationship can exist between clothing in class 25 and certain goods in class 18. In *El Corte Inglés SA v OHIM* (Case T-443/05) the GC considered the clash between goods in classes 18 and 25, stating in paragraphs 42-51:

“First, the goods in class 25 and those in class 18 are often made of the same raw material, namely leather or imitation leather. That fact may be taken into account when assessing the similarity between the goods. However, given the wide variety of goods which can be made of leather or imitation leather, that factor alone is not sufficient to establish that the goods are similar (see, to that effect, Case T-169/03 Sergio Rossi v OHIM – Sissi Rossi (SISSI ROSSI) [2005] ECR II-685, paragraph 55).

Second, it is apparent that the distribution channels of some of the goods at issue are identical. However, a distinction must be made according to whether the goods in class 25 are compared to one or other of the groups of goods in class 18 identified by OHIM.

On the one hand, as regards the second group of goods in class 18 (leather and imitations of leather, animal skins, hides; trunks and travelling bags; umbrellas, parasols and walking sticks; whips, harness and saddlery), the Board of Appeal rightly held that the distribution channels were different from

those used for the distribution of goods in class 25. The fact that those two categories of goods may be sold in the same commercial establishments, such as department stores or supermarkets, is not particularly significant since very different kinds of goods may be found in such shops, without consumers automatically believing that they have the same origin (see, to that effect, Case T-8/03 *El Corte Inglés v OHIM – Pucci (EMILIO PUCCI)* [2004] ECR II-4297, paragraph 43).

On the other hand, as regards the first group of goods in class 18, namely leather and imitation leather goods not included in other classes such as, for example, handbags, purses or wallets, it should be noted that those goods are often sold with goods in class 25 at points of sale in both major retail establishments and more specialised shops. That is a factor which must be taken into account in assessing the similarity of those goods.

It must be recalled that the Court has also confirmed the existence of a slight similarity between 'ladies' bags' and 'ladies' shoes' (*SISSI ROSSI*, paragraph 42 above, paragraph 68). That finding must be extended to the relationships between all the goods in class 25 designated by the mark applied for and the leather and imitation leather goods not included in other classes, in class 18, designated by the earlier mark.

In light of the foregoing, it must be held that there is a slight similarity between the goods in class 25 and the first group of goods in class 18. Consequently, the Board of Appeal could not conclude that there was no likelihood of confusion on the part of the relevant public solely on the basis of a comparison of the goods concerned.

As to whether clothing, footwear and headgear in class 25 are complementary to 'leather and imitations of leather, and goods made of these materials and not included in other classes' in class 18, it must be recalled that, according to the case-law, goods are complementary if there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for the production of those goods lies with the same undertaking (*SISSI ROSSI*, paragraph 42 above, paragraph 60).

Goods such as shoes, clothing, hats or handbags may, in addition to their basic function, have a common aesthetic function by jointly contributing to the external image ('look') of the consumer concerned.

The perception of the connections between them must therefore be assessed by taking account of any attempt at coordinating presentation of that look, that is to say coordination of its various components at the design stage or when they are purchased. That coordination may exist in particular between clothing, footwear and headgear in class 25 and the various clothing accessories which complement them such as handbags in class 18. Any such coordination depends on the consumer concerned, the type of activity for which that look is put together (work, sport or leisure in particular), or the marketing strategies of the businesses in the sector. Furthermore, the fact that the goods are often sold

in the same specialist sales outlets is likely to facilitate the perception by the relevant consumer of the close connections between them and strengthen the perception that the same undertaking is responsible for the production of those goods.

It is clear that some consumers may perceive a close connection between clothing, footwear and headgear in class 25 and certain 'leather and imitations of leather, and goods made of these materials and not included in other classes' in class 18 which are clothing accessories, and that they may therefore be led to believe that the same undertaking is responsible for the production of those goods. Therefore, the goods designated by the mark applied for in class 25 show a degree of similarity with the clothing accessories included in 'leather and imitations of leather, and goods made of these materials and not included in other classes' in class 18 which cannot be classified as slight."

95. Of the goods of the earlier mark (leather goods (including briefcases), bags (including handbags), suitcases, purses, wallets and umbrellas), I consider that there is only the potential for similarity with regard to handbags, purses and wallets. Other types of leather goods (such as briefcases) and goods such as umbrellas have such a distinct purpose and lack any meaningful aspect of complementarity with clothing.

96. In relation to handbags, their aesthetic appeal means they are often purchased to create a coordinated look which will match/complement the clothing. I am aware that it is not unusual for manufacturers of clothing to also trade in items for the purpose of complementing their clothing lines. Accordingly, the trade and distribution channels are likely to be the same. I consider handbags and clothing (specifically womens' clothing – and by extension womens' footwear and headgear) to be similar to a moderate level.

97. That leaves wallets and purses. Purses take the opponent no further forward than its handbags. In relation to wallets, these are articles purchased mainly by men to store their money/credit cards etc. There is, however, nothing to suggest that a wallet is purchased as part of a co-ordinated look (with clothing). Thus, the nature, purpose and method of use is different. The goods do not compete. The goods are not in my view complementarity. The users are the same (but this is hardly significant in terms of general consumer items) and there may be some overlap in stores. If there is any similarity then it is of the lowest possible degree.

Comparison with toys, games and playthings, sporting articles and skis.

98. This comparison relates to terms in earlier mark C. I see no similarity between clothing and toys, games and playthings. However, there is greater potential for a finding of similarity with regard to sporting articles and skis. This is because class 25 covers clothing (and headgear and footwear) for sporting purposes. For example, a ski suit falls in class 25 and such a term would notionally be covered by the specification applied for. To illustrate the point, a ski suit (class 25) and skiing equipment (class 28) have some similarity in purpose (both being used to facilitate a person to be able to ski). Whilst the methods of use and nature may be different, they are likely to be sold in the same places to the same people. The goods do not compete, but there seems to be a close complementary relationship. This type of relationship

also applies to other sports. I consider these to be a medium degree of similarity to the extent that the applied for goods cover sportswear or goods for playing sports.

Comparison with optical apparatus, eyewear and sunglasses

99. The argument here was run by Ms Scott in a similar way to goods such as jewellery and watches. For similar reasons given there, I do not regard there to be a complementary relationship in the sense described by the case-law with regard to eye-wear.

Average consumer and the purchasing act

100. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer*, Case C-342/97. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

“60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The words “average” denotes that the person is typical. The term “average” does not denote some form of numerical mean, mode or median.”

101. The applied for clothing products are “consumed” by members of the general public. The goods may be tried on and are likely to be inspected for colour, size, style, fitness for purpose etc. All of this increases the potential exposure to the trade mark. That being said, the purchase is unlikely to be a highly considered process as clothing is purchased relatively frequently and, although cost can vary, it is not, generally speaking, a highly expensive purchase. In terms of how the goods will be selected, this will normally be via self-selection from a rail or shelf (or the online equivalents) or perhaps chosen from catalogues/brochures. This suggests a process of mainly visual selection, a view which has been expressed in previous cases⁶. I think all of this applies in equal measure to the goods I have found to conflict, albeit adapted to the particular items being considered – the considerations are similar.

Comparison of marks

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

⁶ See, for example, *New Look Ltd v OHIM* – Joined cases T-117/03 to T-119/03 and T-171/03 (GC)

CJEU stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

“.....it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.”

103. It would be wrong, therefore, to artificially dissect the trade marks, although, it is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks. The marks to be compared are:

BENTLEY 1962 v **BENTLEY**

104. In terms of overall impression, **BENTLEY** has just one component which, consequently, comprises the only aspect of its overall impression.

105. In terms of **BENTLEY 1962**, there are two components forming a composite word/numeral mark. Neither element is given greater emphasis than the other, beyond the fact that **BENTLEY** is placed first. 1962 is likely to be regarded as a year which means that the **BENTLEY** element, on account of it being inherently more distinctive than 1962, and on account of its position at the start of the mark, will likely have greater relative weight than 1962.

106. Both visually and aurally the presence in both marks of **BENTLEY** gives rise to an obvious point of similarity. The same difference, the presence/absence of 1962, is applicable both visually and aurally. Given my view as to the overall impression, and given my assessment of the similarities and differences, I consider there to be a reasonably high (but not the highest) level of visual and aural similarity.

107. Conceptually, I consider it most likely that **BENTLEY** (in both marks) will be perceived as a surname. The applicant’s mark has an additional concept of a year, but there is still a reasonably high degree of conceptual similarity on account of the shared surnominal significance.

Distinctive character of the earlier marks

108. The degree of distinctiveness of the earlier mark must be assessed. This is because the more distinctive the earlier mark, based either on inherent qualities or because of use made, the greater the likelihood of confusion (see *Sabel BV v Puma AG*, paragraph 24). In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97 the CJEU stated that:

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an

overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51).”

109. From an inherent perspective, whilst there is no reason to automatically accord a surname with a low degree of distinctive character, neither do most surnames equate to highly distinctive marks. Furthermore, the evidence of other traders using BENTLEY in their names does not mean that low level distinctiveness should be accorded – this is simply a reflection of it being a surname, and that surnames often make popular trade marks. I consider the mark BENTLEY to have an average level of distinctiveness. In terms of the use made of it, for the goods being considered here, it cannot be said that the use made by the opponent in relation to cuff links, handbags etc. has enhanced its distinctive character. Ms Scott made a submission that the use of BENTLEY on motor cars will have rubbed off on all BENTLEY marks. I do not agree. There is no reason to come to this conclusion.

Likelihood of confusion

110. The factors assessed so far have a degree of interdependency (*Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc*, paragraph 17), a global assessment of them must be made when determining whether there exists a likelihood of confusion (*Sabel BV v. Puma AG*, paragraph 22). However, there is no scientific formula to apply. It is a matter of considering the relevant factors from the viewpoint of the average consumer and determining whether they are likely to be confused.

111. The relationship between ties and tiepins, and between cufflinks and shirts, leads me to conclude that there is a likelihood of confusion in relation to the applied for specification, to the extent that it covers ties and shirts. The differences between the marks is something that could be overlooked, once imperfect recollection is borne in mind. Even if the difference in the marks was noticed, I feel that the similarity that exists between them would be put down by the average consumer to there being an economic connection between the suppliers. There would, therefore, be indirect confusion, a relevant form of confusion to consider.

112. I also find a likelihood of confusion between handbags and womens' clothing. Again, the type of relationships is one where confusion would arise. I make the same

finding as between sports equipment and sports clothing, the similarities (in mark and goods) would indicate that the goods come from the same (or related undertaking).

113. I would not, though, find confusion as a result of the use of the marks in relation to clothing and wallets, as the link between the goods is so slight that the commonality in the marks would be put down to co-incidence not economic connection. Whilst the earlier mark is averagely distinctive for these goods, this is not enough, when all the factors are considered, to create a likelihood of confusion.

114. I bear in mind that the applicant has not put forward any form of revised specification, but the impact of my limited findings above is that under section 5(2)(b) the ground does not relate to the application in its entirety. Whilst the point is academic because the opponent has already succeeded in full under section 5(4)(a), I record for sake of completeness that it would not succeed in relation to:

“Clothing, footwear and headgear for men; but not including ties, shirts and sportswear.”

115. The view I expressed earlier with regard to acquiescence applies equally here. There is no properly pleaded defence of acquiescence, but even if there was, it would have failed on the facts.

116. Often, when competing evidence of the respective parties’ businesses is provided, one purpose is an attempt to demonstrate confusion-free parallel trade with an absence of confusion, or that there has been honest concurrent use. In terms of concurrent use, the findings I made earlier mean that any claim on this basis would fail⁷. The same could be said for confusion-free parallel trade, but, to illustrate the point it is worth noting the decision in *Roger Maier and Another v ASOS*, [2015] EWCA Civ 220, where Kitchen L.J. stated that:

“80.the likelihood of confusion must be assessed globally taking into account all relevant factors and having regard to the matters set out in *Specsavers* at paragraph [52] and repeated above. If the mark and the sign have both been used and there has been actual confusion between them, this may be powerful evidence that their similarity is such that there exists a likelihood of confusion. But conversely, the absence of actual confusion despite side by side use may be powerful evidence that they are not sufficiently similar to give rise to a likelihood of confusion. This may not always be so, however. The reason for the absence of confusion may be that the mark has only been used to a limited extent or in relation to only some of the goods or services for which it is registered, or in such a way that there has been no possibility of the one being taken for the other. So there may, in truth, have been limited opportunity for real confusion to occur.”

117. The degree to which any parallel trade has taken place in this case is not clear, therefore, nothing can be taken from an absence of confusion.

⁷ Honest concurrent use can be a defence under this ground, albeit, the circumstances that would likely lead to such a finding would normally be exceptional - see *Budejovicky Budvar NP v Anheuser-Busch Inc*, Case C-482/09

Section 5(3)

118. Section 5(3)⁸ of the Act reads:

“5-(3) A trade mark which-

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

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 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.”

Reputation

119. The earlier mark must have a reputation. In *General Motors Corp v Yplon SA (Chevy)* [1999] ETMR 122 and [2000] RPC 572 the CJEU stated:

“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.”

120. Given my earlier comments, the **BENTLEY** mark⁹ clearly has a reputation in relation to motor cars. For such goods the proof of use provisions are also clearly met. The reputation is strong and is associated with prestige and luxury.

The required link

121. In addition to having a reputation, a link must be made between the subject trade mark and the earlier mark. In *Adidas-Salomon*, the CJEU stated:

“The infringements referred to in Article 5(2) of the Directive, where they occur, are the consequence of a certain degree of similarity between the mark and the sign, by virtue of which the relevant section of the public makes a connection between the sign and the mark, that is to say, establishes a link between them even though it does not confuse them (see, to that effect, Case C-375/97 *General Motors* [1999] ECR I-5421, paragraph 23). The existence of such a link must, just like a likelihood of confusion in the context of Article 5(1)(b) of the Directive, be appreciated globally, taking into account all factors relevant to the circumstances of the case (see, in respect of the likelihood of confusion, *SABEL*, paragraph 22, and *Marca Mode*, paragraph 40).”

⁸ Section 5(3) was amended by The Trade Marks (Proof of Use, etc) Regulations 2004 (SI 2004 No. 946) giving effect to the judgments of the CJEU in *Davidoff & Cie SA and Zino Davidoff SA v Gofkid Ltd* (C- 292/00) and *Adidas-Salomon AG and Adidas Benelux BV v Fitnessworld Trading Ltd* (“*Addidas-Salomon*”) (C-408/01)).

⁹ A number of marks are pleaded under section 5(3), one, UK registration 1060684, is for BENTLEY alone and which covers (amongst other goods such as parts and fitting) motor cars.

122. In *Intel Corporation Inc v CPM (UK) Ltd* (C-252-07) (“Intel”) the CJEU provided further guidance on the factors to consider when assessing whether a link has been established. It stated:

“41 The existence of such a link must be assessed globally, taking into account all factors relevant to the circumstances of the case...

42 Those factors include:

- the degree of similarity between the conflicting marks;
- the nature of the goods or services for which the conflicting marks were registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public;
- the strength of the earlier mark’s reputation;
- the degree of the earlier mark’s distinctive character, whether inherent or acquired through use;
- the existence of the likelihood of confusion on the part of the public”.

Similarity of marks

123. I have already assessed the similarity between the marks at paragraphs 102-107 above.

The services

124. Motor cars and clothing are not similar. The nature, method of use, purpose is different. The goods are not competitive or complementary.

Reputation and distinctive character

125. BENTLEY is inherently distinctive to an average degree. The reputation, as expressed earlier, is strong.

Link or not?

126. I come to the view that members of the relevant public encountering the mark BENTLEY 1962 in relation to clothing products would bring BENTLEY motor cars to mind. Although the goods are dissimilar, the strength of the reputation is such, and the marks close enough, for this to occur.

The heads of damage

127. There are three potential heads of damage under section 5(3). They are often referred to as: i) free-riding, ii) dilution, and iii) tarnishing. The three kinds of damage were conveniently summarised by the CJEU in Case C-487/07), *L’Oréal v Bellure*, as follows:

“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*, paragraph 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.”

128. In my view, I consider that, at the very least, an unfair advantage will be gained. Whilst not overwhelming, there is some evidence from the opponent showing that some prestige car manufacturers have diversified into clothing and, it is therefore logical to assume that there must be some form of advantage to be gained from such activity. Indeed, and as I noted earlier, the applicant, in its evidence (see paragraph 61. i)), highlighted to the opponent the potential benefit in such expansion, using Ferrari as an example). If it would have been advantageous for the opponent to expand, then it must also be advantageous for an unconnected party to offer clothing products which are perceived to be linked to the opponent. In terms of whether such advantage is unfair, I note that in *Jack Wills Limited v House of Fraser (Stores) Limited* [2014] EWHC 110 (Ch) Arnold J. considered the unfairness of the advantage gained and held:

“80. The arguments in the present case give rise to two questions with regard to taking unfair advantage. The first concerns the relevance of the defendant’s intention. It is clear both from the wording of Article 5(2) of the Directive and Article 9(1)(c) of the Regulation and from the case law of the Court of Justice interpreting these provisions that this aspect of the legislation is directed at a particular form of unfair competition. It is also clear from the case law both of the Court of Justice and of the Court of Appeal that the defendant’s conduct is most likely to be regarded as unfair where he intends to benefit from the reputation and goodwill of the trade mark. In my judgment, however, there is nothing in the case law to preclude the court from concluding 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.”

129. In circumstances like these, when there is a clear advantage to be gained, the words of Arnold J hold good. I should add that the applicant’s references to prior use may be taken as a reference to it having a due cause, however, I consider that my findings on acquiescence effectively rule out due cause in the circumstances before me. **The ground succeeds under section 5(3).**

Conclusion

130. Subject to appeal, the applied for mark is to be refused registration in its entirety.

Costs

131. The opponent has succeeded and is entitled to a contribution towards its costs. My assessment is set out below:

Official fee - £200

Preparing statements and considering the other side’s statements - £300

Filing evidence - £800

Attending the hearing - £500

Total - £1800

132. I therefore order Brandlogic Limited to pay Bentley Motors Limited the sum of £1800. This should be paid within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 8TH day of February 2016

**Oliver Morris
For the Registrar,
The Comptroller-General**