

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATION **m** 2009845
BY CENDANT BUSINESS ANSWERS (EUROPE) PLC
TO REGISTER THE TRADE MARK



AND

IN THE MATTER OF OPPOSITION
THERETO UNDER OPPOSITION **m** 43440 BY
BAYERISCHE MOTOREN WERKE AKTIENGESELLSCHAFT

TRADE MARKS ACT 1994

IN THE MATTER of trade mark
application **m** 2009845 by
Cendant Business Answers (Europe) PLC

5 and

IN THE MATTER OF opposition
thereto under opposition **m** 43440
by Bayerische Motoren Werke Aktiengesellschaft

DECISION

10 Cendant Business Answers (Europe) PLC applied on 3 February 1995 to register the mark shown below in classes 16, 35, 36 and 37:



At the time of filing the application, the applicant was trading under the name PHH Europe PLC, but has since changed its name to Cendant Business Answers (Europe) PLC.

The specification of goods in the respective classes is:

15 Class 16

Printed matter, books, computer print-outs (stationery), information sheets, data sheets (stationery), catalogues, manuals (handbooks), posters, stationery, instructional and teaching materials (other than apparatus), photographs, discs and cards (none being magnetic), and paper tape, all for the recordal of computer programmes and for the recordal of data.

Class 35

Monitoring and analysis of fuel use and vehicle repair and maintenance for business management purposes; fuel-stock control analysis; vehicle fleet management consultancy services; vehicle maintenance stock control analysis; provision of information relating to all the aforesaid services; credit card registration services; all included in Class 35.

Class 36

Credit card services; credit card management and advisory services; all included in Class 36.

Class 37

Repair and maintenance of motor vehicles; advisory services relating to vehicle repair and maintenance; all included in Class 37.

The mark was advertised for opposition purposes on 9 August 1995.

The application is opposed by Bayerische Motoren Werke Aktiengesellschaft (hereafter "BMW").

The notice of opposition originally referred to section 5, section 3 and section 56 of the Trade Marks Act 1994, but was subsequently amended in July 1996 to specify section 5(2)(b), section 3(3)(b), section 5(4) and section 5(3). In relation to the opposition under sub-sections 5(2)(b) and 5(3), the opponent relies upon a total of twenty three (23) registrations of the well known BMW roundel device (shown right) in a wide range of classes, but not including Class 35 or Class 36.



In response to the notice of opposition, the applicant filed a counterstatement accepting that the opponent is the registered proprietor of the various BMW roundel marks, but denying each of the grounds pleaded.

Both parties ask for an award of costs in their favour.

Both sides filed evidence in these proceedings, following which a hearing was held on 11 February 1999. At the hearing, the opponent was represented by Mr George Hamer of Counsel, instructed by Bromhead & Co; the applicant was represented by Mr Michael Silverleaf of Her Majesty's Counsel, instructed by Chancery Trade Marks.

At the hearing, Mr Hamer specifically abandoned the ground of opposition going to section 3, and concentrated his submissions solely on the section 5(2)(b) and section 5(3) objections. No submissions were made in relation to section 5(4). In any event, having read the evidence filed in these proceedings and the transcript of the hearing, I conclude that the section 5(4) ground is otiose.

Insofar as section 5(2)(b) and section 5(3) are concerned, Mr Silverleaf accepted at the hearing that the opponent's roundel trade mark has a substantial reputation in the United Kingdom and he did not question the opponent's right to benefit from the broader protection

afforded by section 5(3) in relation to dissimilar goods and services. Mr Silverleaf said that his defence would rest entirely on the question of whether the two marks were similar. Consequently there would be no need for me to consider whether the respective goods and services are similar. If I find that the marks are similar, then the application must be refused in relation to all the goods and services in all four classes, and it would make little or no difference in practice whether refusal was a result of section 5(2)(b) or section 5(3). It is perhaps worth noting that this concession on the part of the applicant greatly simplified proceedings at the hearing.

Opponent's Evidence

10 The opponent's evidence consists of:

- Three statutory declarations by Karlfried Draeger, a patent and trade mark attorney at BMW;
- Three statutory declarations by Graham Coleshill, Legal Manager of BMW (GB) Ltd, a subsidiary of BMW;
- 15 • Two statutory declarations by Paul Nicholas Michaels, Chairman of Hexagon of Highgate, a BMW dealer;
- Two statutory declarations by Adrian Thomas Marchant Elliot, Contracts and Litigation Officer of Windsor Vehicle Leasing Limited;
- Two statutory declarations by Tony Roger Carpenter, Director of Richardson
20 Carpenter (Advertising) Limited;
- Two statutory declarations by Arndt G Brinkmann, a Trainee Solicitor with American Express Services Europe Limited;
- One statutory declaration by Samuel Timothy Hignett, Chairman of L&C Tunbridge Wells, a BMW dealer.

25 On 25 January 1999, the agents acting for the applicant wrote to the registry with a request to cross examine each of the opponent's seven declarants at the hearing scheduled for 11 February. This request was subsequently revised in a letter dated 2 February, in which Ms Schupke (for the applicant) indicated that only Messrs Michaels, Carpenter, Brinkmann and Elliot would be required for cross examination.

30 Having regard to rule 49(2) of the Trade Marks Rules 1994 (as amended), the registry took the view that cross examination of witnesses must be permitted in any particular case where the Registrar, at his discretion, takes oral evidence in lieu of or in addition to written evidence. But where, as in this particular case, the Registrar had not agreed to accept oral evidence, then there was no presumption in favour of cross examination. This follows on the understanding
35 that the purpose of rule 49 is to establish a clear preference for written evidence in proceedings before the Registrar (see rule 49(1)), without fettering the Registrar's discretion to take oral evidence in a particular case (see rule 49(2)).

In the event, Messrs Michaels, Carpenter, Brinkmann and Elliot were present at the hearing on 11 February, and Mr Hamer and Mr Silverleaf were united in asking the Registrar to take oral evidence under rule 49(2). On this basis I agreed to take oral evidence from the four gentlemen and, having not directed otherwise, I allowed Mr Silverleaf to cross examine all four witnesses.

I can deal with all the evidence fairly briefly since in the event none of it was relevant to the one decision that was left for me to make.

The evidence of Messrs Draeger, Coleshill and Hignett is directed to the opponent's business as a manufacturer of quality cars. However, as I have already stated above, Mr Silverleaf accepted that the opponent's roundel trade mark has a substantial reputation in the United Kingdom. He pointed out that this had been conceded by the applicant in their counter-statement. None of the evidence sworn by Messrs Draeger, Coleshill and Hignett was referred to at the hearing, and nothing further need be said about it here.

Messrs Michaels, Carpenter, Brinkmann and Elliot had each prepared statutory declarations confirming that they found the applicant's mark confusingly similar to the BMW roundel trade mark.

Exhibited to each man's declaration are copies of the two marks that they were shown and upon which their opinion was based — the BMW roundel trade mark and the mark in suit. In every case, both marks are in black and white as shown below.



When their evidence was challenged by the applicant in evidence, they each prepared a further statutory declaration reinforcing their original evidence. Furthermore, I add here that I did not detect any material change in their testimony during the course of cross examination at the hearing in this matter. Mr Silverleaf asked each of the witnesses in turn whether they thought that they would be confused if they saw the applicant's mark in colour. He held up a large (ten centimetre diameter) colour version of the applicant's mark at the appropriate time. Each witness stated that he would not confuse the colour version of the mark with BMW's roundel, but steadfastly maintained that if the mark were used in black and white then he would be confused.

It is perhaps worth adding here that Mr Hamer, for the opponent, accepted that his client would probably not have opposed the application if the mark had been limited to the colours in which it appears on the application form. Moreover, he indicated that the opposition would be withdrawn if the applicant was to offer such a limitation now.

Applicant's Evidence

The applicant's evidence consists of:

- One statutory declaration by Christopher John George Cole, Managing Director of PHH Insurer and Retailer (a subsidiary of the applicant company);
 - 5 • One statutory declaration by David Galey, a Divisional Manager with PHH Insurer Services (a subsidiary of the applicant company);
 - One statutory declaration by David Farris, proprietor of Ipswich Body Repair Centre;
 - One statutory declaration by Grant Willis, Company Secretary and Accountant of New Station Bodyworks.
- 10 I have carefully read all four of these declarations. Mr Cole and Mr Galey are both directly employed by the applicant and their evidence includes an account of how the applicant came to adopt the mark in question. All four gentlemen also go on to declare that they do not believe that the applicant's mark is likely to be confused with the well known BMW roundel trade mark.
- 15 Mr Galey exhibits (at DG5) a collection of "Motornet Newsletters" which the applicant has prepared and distributed. In the centre of the front page of the first edition, there is a monochrome reproduction of the applicant's mark. I have attempted to reproduce it below:



That concludes my review of the evidence, and I turn to consider the grounds of opposition.

Section 5(2)(b) & Section 5(3)

20 These sections of the Act read:-

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

(a)

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

(3) A trade mark which

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

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

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

10 It is convenient to approach these two provisions together on this occasion since Mr Silverleaf was content to accept that the opponent’s earlier trade mark (the BMW roundel) has a reputation such that the opponent is entitled to benefit from the broader protection afforded by section 5(3). Thus the only issue between the parties is whether the applicant’s trade mark is similar to the opponent’s earlier mark.

15 I have already indicated that I have not found the evidence to be particularly helpful to me in reaching a decision as to the similarity of these marks. In the case of BMW’s witnesses, Messrs Michaels, Carpenter, Brinkmann and Elliot, there is no indication of how these particular witnesses came to be selected by the agents acting for BMW. The evidence merely shows that each witness received a questionnaire from BMW’s agents, asking them whether they thought the two marks were similar. But it is not clear how the individuals were
20 identified, neither is it clear how many potential witnesses were contacted. Hence my reluctance when Mr Hamer invited me to conclude that there was a substantial number of people who, upon seeing the applicant’s mark, would assume that there was a connection with BMW. For, discounting the opinions of those persons having a direct connection with one party or the other, all that the evidence shows is that four people believe that the marks are confusingly similar — when used in black and white. As I put it to Mr Hamer at the hearing,
25 it may be that a hundred people were canvassed for their opinions, and the four gentlemen who appeared before me in the witness box were the only four who considered the marks to be similar. This may be an extreme interpretation of the evidence, but it serves to illustrate the difficulty that arises when the Registrar does not have the surrounding facts that are
30 sometimes necessary in order to consider specific evidence in its true context.

But there is another reason why I am inclined to give less weight to the opponent’s evidence. All four witnesses exhibit copies of the marks that they were asked to compare — the applicant’s trade mark and the BMW roundel trade mark. But as I have stated above, the marks that the witnesses were asked to consider are black and white photocopies. In
35 particular I have to say that on the whole they are rather poor quality photocopies. (See page 4 above.) So poor, that I would need to be persuaded that the black and white photocopies of the applicant’s mark are sufficiently similar to the mark which appears on the application form to justify giving any weight to the opinions expressed by the opponent’s witnesses in relation to the two marks.

40 Unfortunately the Registry is not above criticism in this matter either. Not only is the reproduction of the applicant’s mark in the Trade Marks Journal in black and white (as a result of technical limitations in the publication process), but it is also a far from accurate monochrome reproduction of the mark on the application form. I have to admit that it is

only marginally better than the photocopies that were sent to the witnesses and upon which their statutory declarations are based.

5 This does not mean that I question the veracity of the evidence that has been given in these proceedings by Messrs Michaels, Carpenter, Brinkmann and Elliot. On the contrary. Even when subjected to cross examination by Mr Silverleaf, none of the witnesses appeared to me to be anything other than an honest and reliable witness. But the question of similarity is very much a subjective matter. In the absence of evidence explaining how the four witnesses were selected, and how any other potential witnesses were eliminated, I cannot accept Mr Hamer's submission that these four witnesses are representative of a substantial number of people.
10 Furthermore, the evidence of the four witnesses is less compelling because they were asked to express an opinion on the basis of a very poor black and white photocopy of the applicant's mark.

Consequently I intend to compare these two marks in my own mind, and use my own judgment to decide whether the applicant's mark is similar to the opponent's.

15 As part of the process of comparing these marks, it is appropriate that I bear in mind the decision of the Court of Justice of the European Communities in *Sabel v Puma*¹. The Court considered the meaning of Article 4(1)(b) of EC Directive 104/89 which corresponds to Section 5(2) of the Act and stated that:

20 "... it is clear from the tenth recital in the preamble to the Directive that the appreciation of the likelihood of confusion 'depends on numerous elements and, in particular, on the recognition of the trade mark on the market, of the association which can be made with the used or registered sign, of the degree of similarity between the trade mark and the sign and between the goods or services identified'. The likelihood of confusion must therefore be appreciated globally, taking into account all factors relevant to the circumstances of the case.

25 23. That global appreciation of the visual, aural or conceptual similarity of the marks in question, must be based on the overall impression given by the marks, bearing in mind, in particular, their distinctive and dominant components. The wording of Article 4(1)(b) of the Directive — "... there exists a likelihood of confusion on the part of the public ..." — shows that the perception of marks in the mind of the average consumer of the type of goods or
30 services in question plays a decisive role in the global appreciation of the likelihood of confusion. The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details."

I also have regard to the approach adopted by the European Court of Justice in *Canon v MGM*² which also dealt with the interpretation of Article 4(1)(b) of the Directive. The Court
35 in considering the relationship between the nature of the trade mark and the similarity of the goods stated:

¹Sabel BV v Puma AG, Rudolf Dassler Sport [1998] ETMR 1

²Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc ETMR [1999] 1

5 “A global assessment of the likelihood of confusion implies some interdependence between the relevant factors, and in particular a similarity between the trade marks and between these goods or services. Accordingly, a lesser degree of similarity between these goods or services may be offset by a greater degree of similarity between the marks, and vice versa. The interdependence of these factors is expressly mentioned in the tenth recital of the preamble to the Directive, which states that it is indispensable to give an interpretation of the concept of similarity in relation to the likelihood of confusion, the appreciation of which depends, in particular, on the recognition of the trade mark on the market and the degree of similarity between the mark and the sign and between the goods or services identified.

10 It follows that, for the purposes of Article 4(1)(b) of the Directive, registration of a trade mark may have to be refused, despite a lesser degree of similarity between the goods or services covered, where the marks are very similar and the earlier mark, in particular its reputation, is highly distinctive.”

15 Finally the court gave the following judgment on the interpretation of Article 4(1)(b):

20 “On a proper construction of Article 4(1)(b) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks, the distinctive character of the earlier trade mark, and in particular its reputation, must be taken into account when determining whether the similarity between the goods or services covered by the two trade marks is sufficient to give rise to the likelihood of confusion.

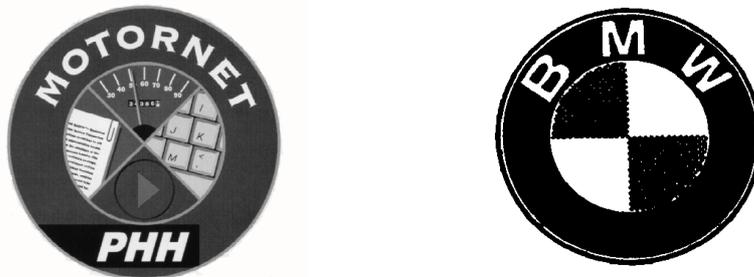
25 There may be a likelihood of confusion within the meaning of Article 4(1)(b) of Directive 89/104 even where the public perception is that the goods or services have different places of production. By contrast, there can be no such likelihood where it does not appear that the public could believe that the goods or services come from the same undertaking or, as the case may be, from economically-linked undertakings.”

30 One of the most difficult considerations in the comparison of these two marks is the extent to which I should have regard to the normal and fair use of the applicant’s mark. Mr Silverleaf and Mr Hamer agreed that normal and fair use of the applicant’s mark would include use in black and white. But there is scope for ambiguity here. Between the full colour version of the mark in the form in which it is shown on the application form, and the black and white reproduction which appeared in the Trade Marks Journal there is a wide range of monochrome or grey scale variations. The more shades of grey that are used, the more faithful will be the reproduction. Consequently the monochrome reproduction of the mark which appears on the front page of the applicant’s “Motornet Newsletter” (see page 5) shows much more of the detail within the four quadrants at the centre of the mark than the simple black and white copies that were sent to the witnesses. Moreover, the use of different shades of grey to represent the different colours in the original means that it is much easier to pick out the various parts of the mark that, in the original, are shaded in different colours.

40 I am also aware that so far as the mark actually presented on the application form is concerned (see page 1), Mr Hamer very fairly accepted that it was not similar to his mark. Thus to some extent I am being asked to determine how far the applicant’s rights would extend in the event that I were to allow the mark to go forward to registration. I am not entirely comfortable with this position, since it is generally accepted that whilst the Registrar has a responsibility to

determine whether a mark is or is not registrable having regard to the provisions of the statute, only the Court has jurisdiction to determine at any given time how far the rights thus granted will extend. In practice it seems likely that the scope of the rights will vary in accordance with what is considered normal and fair use at any particular time. So that while it may be true
5 today that normal and fair use of a colour trade mark includes use in black and white, the ever-increasing use and availability of colour printers and colour photocopiers may mean that in a few years time, the Court will decide that a registration of a trade mark in colour is not necessarily infringed by a similar mark in black and white.

Thus I am tempted to confine myself to a strict comparison of the mark on the application
10 form (in colour) and the opponent's earlier mark which is registered in black and white. On this basis, I would agree with both Counsel that the two marks are not similar. Nevertheless, the evidence before me shows at least one situation where the applicant has used a monochrome version of its mark — the "Motornet Newsletter". In all the circumstances it seems reasonable to me to perform the comparison using this monochrome version of the
15 applicant's mark. For the sake of convenience I reproduce both of the relevant marks below:



I am aware from the opponent's evidence that the BMW roundel is more often used in colour, and that the blue and white inner quadrants would look slightly different if reproduced in a multi-grey monochrome like the applicant's mark shown here. But the difference is negligible.
20 Furthermore, there is no detail in the quadrants of the opponent's mark, whereas the four quadrants of the applicant's mark do contain detail; detail that is almost entirely lost in a plain black and white reproduction.

Taking the best view I can of the matter, I do not consider that the mark applied for is similar to the opponent's mark, even when it is used in monochrome as shown above. In particular, I do not believe that it is likely to lead the public to believe that the goods and services offered
25 by the applicant are connected in any way with the opponent. The opposition under section 5(2(b) and 5(3) fails accordingly.

I will simply add here that if I had found it necessary to compare the black and white versions of the two marks, for example as shown on page 4 above, then the decision may have gone the other way. At the very least it is clear to me that the applicant's mark looks more like the
30 opponent's mark when it is presented in the form of a poor black and white photocopy. In the event, I did not consider that the registrability of the applicant's colour mark should be determined on the basis of a comparison involving such a poor quality black and white copy.

Costs

The applicant, having been successful in these proceedings, is entitled to a contribution towards the costs of defending the application. I therefore order the opponent to pay to the applicant the sum of **£635**.

5 **Dated this 16th day of March 1999**

Mr S J Probert
Principal Hearing Officer
For the Registrar, the Comptroller-General