O/1119/23

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO. UK00003699909
BY INDIAN MOTORCYCLE INTERNATIONAL LLC
TO REGISTER THE TRADE MARK:

IN CLASSES 12 AND 25

AND

IN THE MATTER OF OPPOSITION THERETO
UNDER NO. 430666 BY
INDIAN MOTORCYCLES LIMITED

BACKGROUND AND PLEADINGS

1. On 23 September 2021, INDIAN MOTORCYCLE INTERNATIONAL LLC ("the applicant") applied for the trade mark shown on the cover page of this decision, in the UK. The application was published for opposition purposes on 29 October 2021, and registration is sought for the following goods:

Class 12 Motorcycles and structural parts therefor.

Class 25 Clothing, namely, hats, shirts, jackets, gloves, pants, rain suits and footwear.

2. On 31 January 2022, the application was opposed by Indian Motorcycles Limited ("the opponent") based upon sections 5(2)(b) and 5(4)(a) of the Trade Marks Act 1994 ("the Act"). Under section 5(2)(b) of the Act, the opponent relies on the following trade mark:

UKTM no. 2111027
Filing date 24 September 1996; registration date 21 March 1997
Relying on all goods for which the mark is registered, namely:
Class 12 Motorcycles; parts and fittings for motorcycles.

3. The opponent claims that there is a likelihood of confusion because the marks are similar and the goods are identical or similar.

4. Under section 5(4)(a) of the Act, the opponent relies upon a sign identical to that shown in paragraph 2 above, which it claims to have been using throughout the UK

since 1976 in relation to “motorcycles; parts and fittings for motorcycles”. The opponent claims that use of the applicant’s mark would amount to passing off.

5. The applicant filed a counterstatement denying the claims made and putting the opponent to proof of use. The applicant also pleaded an honest concurrent use defence.

6. Both parties filed evidence in chief and the opponent filed evidence in reply. A hearing took place before me on 26 July 2023, by video conference. The opponent was represented by Ms Kendal Watkinson of Counsel, instructed by Marks & Clerk LLP. The applicant was represented by Mr Robert Cumming of Appleyard Lees IP LLP. Both filed skeleton arguments in advance of the hearing.

EVIDENCE AND SUBMISSIONS

7. The opponent filed evidence in chief in the form of the witness statement of Alan Forbes dated 3 August 2022, which is accompanied by 5 exhibits (AF1 to AF5). Mr Forbes is the Managing Director of the opponent.

8. The opponent’s evidence in chief was accompanied by written submissions dated 3 August 2022.

9. The applicant filed evidence in chief in the form of the witness statement of Jim Clarke dated 2 October 2022, which is accompanied by 12 exhibits. Mr Clarke is the Regional Director Central Europe of the parent company of the applicant.

10. The applicant’s evidence in chief was accompanied by undated written submissions filed on 4 November 2022.

11. The opponent filed evidence in reply in the form of the witness statement of Partel-Erik Rouk dated 6 February 2023, which is accompanied by 3 exhibits (AFR1 to AFR3). Mr Rouk is an associate trade mark attorney working for the opponent’s representatives.

12. I have taken the evidence and submissions into account in reaching my decision and will refer to them below where necessary.

RELEVANCE OF EU LAW

13. Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Act relied upon in these proceedings are derived from an EU Directive. This is why this decision continues to make reference to the trade mark case-law of EU courts.

DECISION

Section 5(2)(b)

14. Section 5(2)(b) of the Act reads as follows:

> "5(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
>
> there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark."

15. Section 5A of the Act is as follows:

> "5A Where grounds for refusal of an application for registration of a trade mark exist in respect of only some of the goods or services in respect of which the trade mark is applied for, the application is to be refused in relation to those goods and services only."

16. By virtue of its earlier filing date, the trade mark upon which the opponent relies qualifies as an earlier trade mark pursuant to section 6 of the Act. As the earlier mark had completed its registration process more than 5 years before the application date of the mark in issue, it is subject to the use conditions under section 6A of the Act.

Proof of use

17. The applicant admits (in my view, rightly) that the opponent has genuinely used its mark for "motorcycles". It is in dispute between the parties as to whether there has been genuine use of "parts and fittings for motorcycles". However, as nothing will turn on this, I do not need to consider it any further. I will proceed on the basis that the opponent can rely upon "motorcycles" for the purposes of this decision.

Section 5(2)(b) – case law

18. The following principles are gleaned from the decisions 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 greater degree of similarity between the marks, and vice versa;

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

(i) mere association, in the strict sense that the later mark brings to mind the earlier mark, 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.

My approach

19. The applicant admits (again, in my view, rightly) that, subject to its position regarding concurrent use, there would be confusion in respect of "motorcycles and structural parts therefor" in the applicant's specification. I do not, therefore, need to carry out an assessment in relation to these goods and I will proceed on the basis that there is a likelihood of confusion, subject to the outcome of the applicant's defence.

20. The applicant denies that there is confusion in respect of "clothing, namely, hats, shirts, jackets, gloves, pants, rain suits and footwear" in the applicant's specification. I will, therefore, carry out an assessment of whether there is confusion in respect of these goods (subject to any finding regarding the defence raised).

Comparison of goods

21. With that in mind, I will begin by assessing the similarity of the goods. The competing goods are as follows:

Opponent's goods	**Applicant's goods**
Class 12 Motorcycles.	Class 25 Clothing, namely, hats, shirts, jackets, gloves, pants, rain suits and footwear.

22. When making the comparison, all relevant factors relating to the goods in the specifications should be taken into account. In the judgment of the CJEU in *Canon*, Case C-39/97, the court stated at paragraph 23 that:

> "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."

23. Guidance on this issue has also come from Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, where he identified the factors for assessing similarity as:

(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.

24. In terms of overlap in user, Ms Watkinson submitted that the applicant's clothing goods may be specifically for use by motorcyclists. I have some doubts as to whether clothing intended specifically for use by motorcyclists would be in class 25 rather than class 9 (being clothing to protect against accidents). In any event, I accept that motorcyclists may purchase both parties' goods. At the hearing, Ms Watkinson submitted that there are well known motorcycle brands that also produce clothing. However, I have no evidence of this before me and certainly no evidence to suggest that it is in any way common in the market for such an overlap in trade channels to exist. It is likely, in my view, that different businesses would produce and sell motorcycles and clothing that people might wear when using a motorcycle. The

method of use, purpose and nature of the goods are entirely different. There is no competition or complementarity.[1] I consider the goods to be dissimilar.

25. The opposition under section 5(2)(b) of the Act against the applicant's class 25 goods must, therefore, fail, irrespective of the outcome of the honest concurrent use defence.[2]

Honest concurrent use

26. I will now consider the honest concurrent use defence in relation to those goods for which there is a prima facie case of confusion i.e. motorcycles and structural parts therefor. In *W.S. Foster & Son Limited v Brooks Brothers UK Limited,* [2013] EWPCC 18 (PCC), Iain Purvis Q.C. sitting as a Deputy Judge set out the following test for whether honest concurrent use provides a defence in a passing off action:

> "61. The authorities therefore seem to me to establish that a defence of honest concurrent use in a passing off action requires at least the following conditions to be satisfied:
>
> (i) the first use of the sign complained of in the United Kingdom by the Defendant or his predecessor in title must have been entirely legitimate (not itself an act of passing off);
>
> (ii) by the time of the acts alleged to amount to passing off, the Defendant or his predecessor in title must have made sufficient use of the sign complained of to establish a protectable goodwill of his own;
>
> (iii) the acts alleged to amount to passing off must not be materially different from the way in which the Defendant had previously carried on business when the sign was originally and legitimately used, the test for materiality being that the difference will significantly increase the likelihood of deception."

[1] *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM),* Case T-325/06

[2] *eSure Insurance v Direct Line Insurance* [2008] ETMR 77 CA

27. In *Match Group, LLC & Ors v Muzmatch Ltd & Anor* [2023] EWCA Civ 454 at [115] to [117], Arnold LJ held that a use which was initially infringing could eventually cease to be infringing if the trade mark proprietor took no action, there was substantial parallel trade for a long period, and as a result the trade mark and the sign came to be understood by the relevant class of consumers as denoting the goods/services of more than one trader. It therefore appears that there is no requirement that the use did not constitute passing off when it first started. The key consideration under passing off law is whether, because of the parties established concurrent goodwill, it is no longer equitable for the senior user to prevent the junior user from continuing to use its mark.

28. In *Budejovicky Budvar NP v Anheuser-Busch Inc*, Case C-482/09, EU:C:2011:605, the Court of Justice of the European Union held that:

> "74. In that context, it follows from the foregoing that Article 4(1)(a) of Directive 89/104 must be interpreted as meaning that a later registered trade mark is liable to be declared invalid where it is identical with an earlier trade mark, where the goods for which the trade mark was registered are identical with those for which the earlier trade mark is protected and where the use of the later trade mark has or is liable to have an adverse effect on the essential function of the trade mark which is to guarantee to consumers the origin of the goods.
>
> 75. In the present case, it is to be noted that the use by Budvar of the Budweiser trade mark in the United Kingdom neither has nor is liable to have an adverse effect on the essential function of the Budweiser trade mark owned by Anheuser-Busch.
>
> 76. In that regard, it should be stressed that the circumstances which gave rise to the dispute in the main proceedings are exceptional.
>
> 77. First, the referring court states that Anheuser-Busch and Budvar have each been marketing their beers in the United Kingdom under the word sign 'Budweiser' or under a trade mark including that sign for almost 30 years prior to the registration of the marks concerned.

78. Second, Anheuser-Busch and Budvar were authorised to register jointly and concurrently their Budweiser trade marks following a judgment delivered by the Court of Appeal (England & Wales) (Civil Division) in February 2000.

79. Third, the order for reference also states that, while Anheuser-Busch submitted an application for registration of the word 'Budweiser' as a trade mark in the United Kingdom earlier than Budvar, both of those companies have from the beginning used their Budweiser trade marks in good faith.

80. Fourth, as was stated in paragraph 10 of this judgment, the referring court found that, although the names are identical, United Kingdom consumers are well aware of the difference between the beers of Budvar and those of Anheuser-Busch, since their tastes, prices and get-ups have always been different.

81. Fifth, it follows from the coexistence of those two trade marks on the United Kingdom market that, even though the trade marks were identical, the beers of Anheuser-Busch and Budvar were clearly identifiable as being produced by different companies.

82. Consequently, as correctly stated by the Commission in its written observations, Article 4(1)(a) of Directive 89/104 must be interpreted as meaning that, in circumstances such as those of the main proceedings, a long period of honest concurrent use of two identical trade marks designating identical products neither has nor is liable to have an adverse effect on the essential function of the trade mark which is to guarantee to consumers the origin of the goods or services."

29. The *Budweiser* case shows that honest concurrent use may also be relevant in trade mark opposition and cancellation proceedings. Consequently, the above guidance also applies to proceedings of this kind.

30. Before considering whether there has been honest concurrent use, I must look at the evidence of the parties' activities under their respective marks. I bear in mind that in reaching these findings of fact I must consider only the evidence before me in these proceedings; it is not appropriate to take account of factual findings made by other

courts or tribunals, including those made in prior disputes between these parties.[3] I note that the opponent claims to have been trading in the UK since the 1970s in relation to motorcycles and parts and fittings for motorcycles. Whilst I have no evidence of that before me, Mr Cumming confirmed at the hearing that that was not in dispute. The earliest evidence of use provided by the opponent in these proceedings to enable me to assess the extent of the use dates back to November 2016.[4] The illustrative sample of invoices provided which date between 2016 and 2021 show sales amounting to over £200,000. Promotional flyers for 2019 and 2020 have been provided which display the earlier mark, although no evidence is provided as to how many of these were distributed.[5]

31. As to the applicant's evidence of use, Mr Clarke gives evidence that the applicant began manufacturing motorcycles under the applied-for mark in 2013. Since then, the applicant has manufactured approximately 4,000 motorcycles, which it sells in the UK through showrooms (with locations such as Edinburgh, London, Birmingham, Oxford and Carlisle) and its website. The applied-for mark appears on motorcycles dating back to 2014.[6] Turnover relating to sales of motorcycle parts in the UK between 2015 and 2021 was over £3.7million; turnover relating to sales of motorcycles in the UK between 2015 and 2021 was over £34million. Between 2014 and 2021, the opponent spent over £1.5million on marketing.

32. The opponent's evidence of use in these proceedings only dates back to 2016. However, as the opponent has said in their submissions that their use in the UK dates back to the 1970s, I will proceed on that basis for the purposes of considering the applicant's defence, as that represents the applicant's best case. The applicant's use in the UK did not commence until 2013, so at best there had been a period of concurrent use of 8 years by the relevant date. The applicant's use has clearly been on a significant scale. However, the same cannot be said of the opponent's use; the evidence I have before me represents a very small business in what is undoubtedly a significant market. My view is that there is insufficient evidence to satisfy me that there

[3] BL O/0197/23
[4] Exhibit AF1
[5] Exhibit AF3
[6] Exhibit 3

has been parallel trading on a scale which has resulted in the average consumer becoming accustomed to distinguishing between the entities or recognising that the same mark identifies the goods of not just one, but both parties. I do not consider that the facts of this case give rise to the exceptional circumstances envisaged in *Budejovicky Budvar*. As such, I am not satisfied that the defence of honest concurrent use is made out.

Acquiescence

33. At the hearing, Mr Cumming made submissions regarding the opponent's alleged acquiescence. This was not raised in the applicant's Form TM8 and that is, in itself, sufficient reason to dismiss the defence. However, for the sake of completeness, I will give my views.

34. In his skeleton argument, Mr Cumming referred to section 48 of the Act, which states:

> "(1) Where the proprietor of an earlier trade mark or other earlier right has acquiesced for a continuous period of five years in the use of a registered trade mark in the United Kingdom, being aware of that use, there shall cease to be any entitlement on the basis of that earlier trade mark or other right – (a) to apply for a declaration that the registration of the later trade mark is invalid, or (b) to oppose the use of the later trade mark in relation to the goods and services in relation to which it has been so used, unless the registration of the later trade mark was applied for in bad faith.
>
> (2) Where subsection (1) applies, the proprietor of the later trade mark is not entitled to oppose the use of the earlier trade mark or, as the case may be, the exploitation of the earlier right, notwithstanding that the earlier trade mark or right may no longer be invoked against his later trade mark." (my emphasis)

35. The above provisions apply only to registered trade marks. As the application in issue is not yet registered, the defence insofar as it is based on statutory acquiescence cannot apply.

36. I am not satisfied that the common law defence of acquiescence is applicable to an opposition under section 5(2)(b) of the Act.[7] In any event, common law acquiescence requires more than just tolerance of the defendant's use; the claimant's behaviour must be shown to have led the defendant to believe that it does not, or would not, object to the act now complained about, and the defendant must be shown to have relied on that understanding. There is nothing to suggest that the conduct of the opponent was such that it led the applicant to believe that it would not oppose its application. In this regard, the applicant points to the fact that the applicant has been using its applied-for mark and the opponent has not brought infringement proceedings to stop that use. However, the opponent has taken action against the applicant's attempts to register the equivalent mark and other Indian motorcycle marks in the EU dating back to 2002.[8] Consequently, the applicant had no reason to believe that the opponent would not object to the registration of the applied-for mark. There is nothing to suggest that the opponent directly or indirectly encouraged the applicant's use of its mark. The claim of acquiescence would not, therefore, have succeeded even if it had been properly pleaded.

Conclusion

37. The opposition based upon section 5(2)(b) of the Act succeeds in relation to the following goods only:

Class 12 Motorcycles and structural parts therefor.

Section 5(4)(a)

38. Section 5(4)(a) states:

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

[7] See also *Martin y Paz Diffusion Sa v Depuydt,* C-661/11, EU: C:2013:577, and *Kerly's Law of Trade Marks and Trade Names* (16th edition, Sweet & Maxwell 2019) at chapter 17, section 16, subsections 106-110.
[8] Exhibit AFR1

(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, where the condition in subsection (4A) is met,

(aa) […]

(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."

39. Subsection (4A) of Section 5 states:

"(4A) The condition mentioned in subsection (4)(a) is that the rights to the unregistered trade mark or other sign were acquired prior to the date of application for registration of the trade mark or date of the priority claimed for that application."

40. I do not consider that this ground of opposition assists the opponent. As noted above, it does not appear to be in dispute that the opponent has been trading in the UK since the 1970s. However, I have nothing before me to enable me to assess the extent of that use prior to 2016. Even based on the evidence of use from 2016 onwards, the use is at a modest level. Consequently, given the distance between the parties' respective fields of activity and the only modest level of goodwill demonstrated (at best), I am not satisfied that there would be a misrepresentation in relation to the applicant's class 25 goods, causing substantial damage to the opponent's goodwill. This ground does not, therefore, put the opponent in any stronger position than it is under section 5(2)(b) of the Act.

41. The opposition based upon section 5(4)(a) of the Act is dismissed.

CONCLUSION

42. The opposition is successful in relation to the following goods for which the application is refused:

Class 12 Motorcycles and structural parts therefor.

43. The opposition is unsuccessful in relation to the following goods for which the application may proceed to registration:

Class 25 Clothing, namely, hats, shirts, jackets, gloves, pants, rain suits and footwear.

COSTS

44. Both parties have enjoyed a roughly equal degree of success. Consequently, I direct that both parties bear their own costs.

Dated this 27th day of November 2023

S WILSON
For the Registrar