

O-117-17

TRADE MARKS ACT 1994

**IN THE MATTER OF REGISTRATION No. 2505233
STANDING IN THE NAME OF
BENTLEY 1962 LIMITED**

AND

**IN THE MATTER OF A REQUEST FOR A DECLARATION
OF INVALIDITY THERETO UNDER No.501089
BY BENTLEY MOTORS LIMITED**

BACKGROUND

1) The following trade mark is registered in the name of Bentley 1962 Limited (hereinafter 1962):

Mark	Number	Filing & registration date	Class	Specification
BENTLEY	2505233	22.12.08 08.05.09	25	Clothing; footwear; headgear.

2) By an application dated 18 December 2015 Bentley Motors Limited (hereinafter BML) applied for a declaration of invalidity in respect of this registration. The grounds are, in summary:

a) BML is the registered proprietor of the following trade marks:

Mark	Number	Filing & registration date	Class	Specifications relied upon
BENTLEY	EU 3925187	15.07.04 13.05.08	12	Motor vehicles and parts and fittings therefor; snow chains for motor vehicle wheels; tyres for motor vehicles; solid rubber tyres for motor vehicle wheels; pneumatic tyres; alloy wheels for motor vehicles; mud flaps for motor vehicles; rugs and carpets for motor vehicles; steering wheels for motor vehicles; car safety seats for children; picnic tables for motor vehicles; vanity mirrors for motor vehicles; tread plates for motor vehicles; luggage nets for motor vehicles; motor vehicle horns; surrounds for headlamps; reversing alarms for vehicles; ski carriers for use on motor vehicles; brake components for motor vehicles; gear lever knobs for motor vehicles; ventilation grilles; wood panels for motor vehicles; parts and fittings for all the aforesaid goods.
			14	Jewellery, watches.

			18	Leather and imitations of leather and goods made therefrom; bags, holdalls, wallets, purses.
BENTLEY	UK 1060684	24.03.76	7	Internal combustion engines and parts thereof
		24.03.76	12	Parts and fittings included in Class 12 for motor cars; Motor cars and chassis for motor cars. Internal combustion engines and parts thereof, all for land vehicles.

b) BML contends that the items shown in bold in EU3925187 are similar to the goods for which the mark in suit is registered. It contends that as the marks are identical the mark in suit offends against Section 5(2)(a) of the Act.

c) BML contends that as of 22 December 2008 it had acquired an exceptional reputation in relation to the design and manufacture of high-end luxury motor cars. Use of the mark in suit would enable 1962 to benefit from the attractive image that BML had built up in the mark BENTLEY and therefore free-ride on the effort that BML had expended in promoting its BENTLEY mark. If the goods sold by 1962 were of poor quality it would damage the reputation of BML. Use of the mark in suit would erode the distinctiveness of BML's BENTLEY mark. I note that the TM26 form states that BML relies upon all of the goods and services for which its mark EU 3925187 is registered but does not refer to any goods or services other than luxury vehicles in its comments. BML contends that the mark in suit therefore offends against Section 5(3) of the Act.

d) BML contends that it has used the mark BENTLEY in respect of, motor vehicles; jewellery; watches; clocks; clothing; gloves; scarves; handbags; wallets; cufflinks; ties; goggles; model cars; toys; games; paperweights; writing implements; notepads; candles; fragrances; skis; mobile phones; eyewear; furniture; key-rings; mugs; lanyards since 1920 and by 22 December 2008 had a very high level of goodwill in the BENTLEY mark. BML contends that use of the mark in suit will offend against section 5(4)(a) of the Act.

3) 1962 provided a counterstatement, dated 22 February 2016, in which it denies that BML has any reputation or goodwill in the mark BENTLEY in regard to the goods and services listed and puts BML to strict proof of use. It also pleaded that BML has

acquiesced to its use of the mark BENTLEY on clothing as per Section 48(1)(a) of the Act.

4) Both sides filed evidence. Both sides ask for an award of costs. The matter came to be heard on 18 January 2017 when Mr Dawson of Messrs Eversheds represented BML; 1962 was represented by Mr Lees a Director of the company.

BML's Evidence

5) BML filed a witness statement, dated 12 May 2016, by Justine Pridding the Corporate Counsel at BML, a position she has held since 2007. She states that her company began to manufacture cars in 1919, which enjoyed considerable success in the 1920's at Le Mans. In 1931 the company was acquired by Rolls-Royce. Although production ceased during the Second World War, production started again in 1946. The type of vehicle produced was luxurious, expensive and fast. In 1998 Bentley was acquired by Volkswagen Group. The earliest brochures available, showing sales of merchandise and accessories have the name "Rolls-Royce Motor Cars Ltd" (hereinafter RR) upon them and so pre-date 23 July 1999 when the name of the company changed to "Rolls-Royce & Bentley Motor Cars Ltd" (hereinafter RR&B). On 12 September 2002 it changed again to Bentley Motors Ltd (BML). In 2001 Bentley returned to Le Mans and built a car for the Queen's Golden Jubilee. By 2011 the company employed over 4,000 people and by 2014 sold 11,020 cars worldwide, up from 414 in 1998. The company has licensed and number of companies to use its brand as follows: Breitling (2002 watches); Tibaldi (2006 writing implements); Zai (2009 skis and ski accessories); Estede Austria (2009 sunglasses and ophthalmic frames); Lalique (2011 perfume and glassware). She states that the company's cars have won numerous awards since 2003, and that the company owns "Bentley" trade marks in 58 countries. Sales figures for all products and services under the BENTLEY brand worldwide are provided, as are figures for global sales of cars, and also global sales of merchandising and accessories, but absent a breakdown in terms of countries and/or products these are not of use in my decision, other than the statement where Ms Pridding states that "four out of five cars manufactured by Bentley are now sold overseas". As her statement is dated May 2016 it is not clear precisely whether this statement reflects upon the figures for worldwide sales of cars from 2010-2014 inclusive which she supplies. During this time approximately 8,000 cars were sold per annum which would mean that approximately 1,600 cars would have

been sold per annum on average in the UK. In only one place in her evidence can I find anything relating to actual sales of motor cars in the EU/UK. It comes at paragraph 52 where she states "... the UK is now the third largest market for Bentley with around 1,400 Bentley branded cars being manufactured and sold annually in the UK from 2013 to 2015". She also refers to the company's percentage share of the "luxury car" market in the UK which it is claimed averaged at 30% during the years 2012-2014 inclusive.

6) Ms Pridding states that other car manufacturers also offer merchandising. She instances Rolls Royce since 1999; Cadillac from 2003; Buick by 2006; Audi by 2008 and Porsche by 2008. She provides pages from various manufacturers websites in her exhibits which I shall summarise if relevant later. She also points out that other brands have diversified such as Haley-Davidson, Chelsea Football club and Tag-Huer who offer apparel, home ware and gifts including jewellery. She also provides sales figures for Breitling watches and Tibaldi writing implements in various countries worldwide. It is stated that the company spends "several million pounds per annum" on advertising and promoting the BENTLEY brand worldwide. But no specific details are available regarding country, or type of advertising. Similarly, figures are provided for the value of free media publicity broken down from 2011 into worldwide, USA and China. None of these are helpful in reaching my decision.

7) She provides the following sales figures for Bentley branded merchandise in the UK and the rest of Europe (REU), the figures for class 14 goods include non-licence watches:

Year	Cars		Class 14		Class 18		Class 25	
	UK	REU	UK £	REU £	UK £	REU £	UK £	REU £
2003	234	199						
2004	1964	103						
2005	2023	1160	12,831	8,749	8,864	15,257	57,878	47,851
2006	1907	1524	22,482	16,630	7,368	12,103	43,348	85,637
2007	2079	1628	11,706	18,325	7,134	19,563	30,897	56,412
2008	1438	1769	12,328	19,164	11,329	20,757	31,329	83,753
2009			18,043	20,944	8,067	30,571	16,093	67,397
2010			24,146				24,146	

2011			16,712				16,712	
2012			34,871				34,871	
2013			42,401				42,401	
2014			36,537				36,537	

8) I note that the figures for class 14 and class 25 goods from 2010 -2014 inclusive and shown above are identical. These figures were taken from tables of figures provided at paragraphs 59.1 and 59.3 of the witness statement. In view of this I am reluctant to place much reliance upon these figures. She also provides the following figures in relation to sales of Breitling watches and Tibaldi writing implements which also have the word BENTLEY upon them. The figures are broken down into the UK and the Rest of Europe (REU):

Year	Breitling units		Tibaldi			
	UK	REU	UK		REU	
			Units	Value £	Units	Value £
2003	406	1371				
2004	974	3266				
2005	728	2765				
2006	1138	4414	4	5,520	31	55,975
2007	1682	4802	39	47,400	43	43,758
2008	808	3317	307	49,822	43	23,760

9) Ms Pridding deals with the communications between the two parties. She states that in 2004 BML applied for an EU trade mark which was opposed by 1962 or its predecessors in business. Although not employed at BML at the time, Ms Pridding states that a meeting took place between the two parties in September 2006. She provides some correspondence at exhibit JP 30. I note that the first letter from BML's trade mark representatives, dated 27 March 2005 makes the following comment:

"On looking at your clients' registrations there would seem to be a marked progression in the goods coverage which your clients have obtained over time. From this my clients wondered if there was really any serious likelihood of confusion or conflict

between them given the presumably very different consumers for their respective products.

As your clients will be aware, my clients have a world-renowned brand and an extremely strong reputation in the word BENTLEY. Due to the nature of this reputation and their desire to maintain its exclusivity the potential consumer base for their products, of any kind, is always going to be limited. This being the case it is their hope and belief that an agreement can be reached with your clients which would enable both parties to trade under their respective brands and co-exist in the marketplace.”

10) Following a meeting and an offer from 1962, Mr Armitage of BML wrote to 1962 on 2 May 2007 stating:

“As you have gathered we do not have any clear plans in terms of developing a range of clothing.

Our current view is that clothing is not seen as a major growth area for us. We do feel that if we are to venture into this area (to a greater extent than the current limited range) that it needs to be done well and at the moment there are other priorities for the development of our branded goods range.

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

11) Ms Pridding states that in June 2007 the EUTM application was withdrawn by BML “to avoid any further undue protraction of the application and to resolve the opposition proceedings cost effectively”. She states that since she began work at BML she has undertaken searches to identify any sales of BENTLEY branded products. She claims that “at no time prior to around February/March 2015 did my searches reveal any sales of BENTLEY branded clothing by the proprietor [1962] or any companies connected to it”. Ms Pridding provides, inter alia, the following exhibits:

- JP1: 16 pages from the internet showing details of various Bentley cars over the period 1919 to 1958.

- JP2: A brochure dated June 1997. A BENTLEY brochure which shows that in addition to your new car you could also purchase luggage sets, a picnic set, atlases. It is not possible to see any trade mark upon the picnic hamper and atlases but the luggage set simply has the symbol of a winged letter “B” (see annex1).
- JP3: A brochure dated “2000” which shows the company as RR&B. This has polo and t-shirts, hats, jackets, chairs, sports bags, umbrellas, watches, mugs, coasters, key rings and jumpers. All the above have a winged letter “B” with on occasions the words “TEAM BENTLEY” written underneath. It is labelled “The Bentley Collection” and refers to the return to Le Mans. The items are typical of the kind of clothing where the item is intended to indicate support for a particular team, in this instance a racing team, in that they are liberally emblazoned with the name of the team or its emblem.
- JP5: Undated brochures for both Rolls-Royce (pages 4-17 & 31-50) and Bentley which shows the company name as RR (pre-dating 23 July 1999). These show silk scarves, cravats, ties and handkerchiefs and leather wallets, purses, key cases, luggage, sports bags and belts for sale with the winged letter “B” and the word “BENTLEY” on the labels or embossed in the leather. They also show cufflinks and a hip flask with a winged letter “B” or just a letter “B” upon them. Another, dated 1995, shows a watch with the word BENTLEY upon the face. The pages of the brochure do have the word BENTLEY upon them. These items are quite constrained in nature mostly with the “winged B” image or images of cars being visible when the item is worn, with the word BENTLEY reserved for the label on the back of the tie or scarf.
- JP6: Copies of pages from www.bentleycollection.com dated between 2002 and 2009. These pages show a variety of goods being offered for sale. The pages have upon them the word BENTLEY and also the winged letter “B”. The goods include jackets, shirts, ties, caps, gloves, scarves, stoles, cufflinks, purses, key fobs, writing implements, hip flasks, picture frames, mugs, bags, golf balls,

umbrellas, books, teddy bears, wallets, leather CD and card holders. It is difficult to see what mark, if any, is on many of the items. Those where a mark is visible appear to mostly have just the winged letter “B”, or that logo with the word BENTLEY written underneath. Similar if not identical to JP3 the items of clothing have the “winged B” and “Team Bentley” emblazoned upon them, with the term Bentley reserved for the interior/back label.

- JP7: Copies of “The Bentley Collection” brochures from 2002 to 2008 which show a variety of goods being offered for sale. There is considerable duplication in the items on offer from one year to the next in the 260 pages in this exhibit. The pages have upon them the word BENTLEY and also the winged letter “B”. The goods include jackets, shirts, ties, caps, gloves, scarves, stoles, cufflinks, purses, key fobs, writing implements, hip flasks, mugs, sports bags, rucksacks, wine coolers, jewellery boxes, luggage, briefcases, toiletries bag, chairs, umbrellas, clocks, watches, teddy bears, toys, wallets, leather CD and card holders. Many of the pages are so badly photocopied that nothing can be discerned. Those where a mark is visible appear to mostly have just the winged letter “B”, or that logo with the word BENTLEY written underneath. Similar if not identical to JP6.
- JP9: Pages from the internet from 2013 showing two handbags for sale. These have the word BENTLEY as well as the winged letter “B” upon them.
- JP14: Articles from various newspapers and magazines, dated 2005- 2014 which carry stories about BENTLEY cars. I note that this includes a number of articles which are not in English (pages 19-21, 25, 29-30, 33, 35, 38-42 & 51-59) these will be ignored.
- JP15-22: 185 pages showing details from other manufacturer’s websites regarding merchandising. These include Cadillac (dated 2002), Buick (dated 2005), Audi (dated 2003), Porsche (dated 2009), Ferrari dated 2016), Maserati (dated 2016), Aston Martin (dated 2016), Jaguar (dated 2015) and Lamborghini (dated 2016). Most sell apparel (including hats & gloves); gifts including toys, others include bags and sports items such as golf balls, along with the ubiquitous leather goods

such as wallets and key-rings and various other items. I note that Buick cars are not sold in the UK and the website appears aimed solely at the USA market.

- JP23: 292 pages showing examples of Breitling catalogues from 2005 –2008. These show that Breitling makes watches with the words “Breitling for Bentley” upon them. They include photographs of various Bentley cars and refer to the heritage of the Bentley brand. Many of the pages are heavily pixelated and so images cannot be made out clearly, and there appears to be heavy duplication from one catalogue to that of the following year. Also included are various pages from newspapers and magazines from around the world in which Breitling and Bentley have advertised the watches made by Breitling but which also carry the Bentley name, alongside images of Bentley cars. These date from 2003-2010.
- JP24: Two pages which appear to be a mock-up of a leaflet for Tibaldi pens which carry the Bentley name. The leaflet is undated.
- JP27: Three pages which show Tibaldi pens which carry the Bentley name. These are dated 2007 & 2008, but it is unclear where they were displayed, although one appears to come from what is presumably a magazine called “Fronrunner”.
- JP29: Various articles, dated 2002-2008, from UK media which mention BENTLEY both in terms of its cars and its merchandising.
- JP32: A copy of a witness statement, dated 16 October 2015, by Christopher Robert Lees in relation to consolidated cancellation actions (numbers 500871-500875) before the IPO. BML has chosen not to file the exhibits which are referred to in the witness statement. However, at exhibit JP34 of Ms Pridding’s second witness statement it provides a copy of the decision in which Mr Lees’ statement was summarised. At the hearing both sides agreed that I should be able to rely upon this summary as both sides were aware of both the original statement and exhibits and the summary provided in decision O-369-16. The summary is included at ANNEX 2.

12) I note that a large amount of the evidence consists of brochures which show only Rolls- Royce branded products, items in foreign languages, duplication of information (admittedly in brochures from different years) and exhibits which could easily have been severely reduced (JP 15-22 and JP23). Some items are dated considerably before/after the relevant date whilst others have questionable relevance as to whether the goods have ever been sold in the UK or the EU. Many of the exhibits are from newspapers and magazines, but it is unclear how large the readership of each is, and where they are circulated/sold.

1962's Evidence

13) 1962 filed two witness statements. The first, dated 18 August 2016, is by Robert Lees a director of 1962 a company incorporated in 1997, and also a director of Brandlogic Ltd which he states is part of his company's group and was also incorporated in 1997. He states that his two sons, Christopher Lees and Richard Michael Lees are also directors of both companies. Mr Lees provides details of discussions with BML. The first contact was in 1998 just after Volkswagen purchased the company. Following a series of letters and telephone calls a meeting was arranged. He states:

“14.....It was made very clear to Bentley Motors, in the following meetings and discussions with Gill Duddy [BM Counsel], that my company was actively trading clothing under the Bentley trademark. “Sales of Bentley label products have been approximately: 1993 £700,000; 1994 £300,000; 1995: £200,000; 1996/97 £100,000” (we were referring to wholesale prices, approximately 1/3 of retail value).”

And:

“20. 3 December 1998, Christopher [Lees] and I met Bentley Motors General Counsel at their Head Office. Gill Duddy focussed on the questions she had asked in her letter 2 Oct 1998, particularly what, where, and how much BENTLEY clothing was being sold by us. We took examples of our Bentley clothing that included coats, knitwear and jerseywear, all fully labelled and ticketed, as well as copies of Bentley brochures from recent years. We left these items with her. It was made clear that the Bentley clothing items were from our range on sale in our concessions at that

time. All ticketing and labelling made clear use of the word mark BENTLEY. CRL6, p.481 is the ticketing that we were using then, and for a long time afterwards, and that was on the garments we showed her.”

14) The return of the clothing was the subject of a number of emails and 1962 eventually collected it from BML’s factory at Crewe. Nothing came of this contact, but it made BML aware of the existence and business of 1962. In 2004 BML applied for an EU trade mark in respect of class 25 goods. This was opposed by 1962. On 2 February 2006 a meeting took place between the two parties to discuss the issue. He states:

“36. 2 February 2006, Andrew Armitage, Bentley Motors Director and General Counsel met Christopher [Lees] and I at our lawyers’ office to find a solution to the trademark conflict and infringement. He was interested to know what my BENTLEY clothing was doing at the time in terms of where it was traded, sales volumes, use of the mark etc. We told him what our annual sales value of BENTLEY clothing was at that time, named some stockists; and described the types of clothing we were marketing. I gave him a Bentley clothing ticket that we were using in stores at that time and that I used to write my email address on, for Armitage’s use (CRL6, p.481). Armitage suggested that we might license our BENTLEY trademarks to Bentley Motor and suggested another meeting at a later date.”

15) Bentley withdrew their application in September 2007, without putting 1962 to proof of use of their trade marks. Some of the correspondence between the two parties is provided at paragraphs 9 & 10 above. In December 2007 a Bulgarian company, Vocati, sought to register the mark BENTLEY in class 25 at OHIM. 1962 opposed the application and provided evidence of use of its marks on clothing and also details of its sales in its witness statements. Mr Lees states that he spoke to Ms Pridding on the telephone and also sent her emails as the Bulgarians were also using a winged letter “B” on its goods. In October 1962 informed Ms Pridding that it had won the opposition. Copies of the email correspondence between BML and 1962, dated 1998 to October 2010 is provided at exhibit CRL7 (which I shall summarise later).

16) The second witness statement, dated 14 August 2016, is by Christopher Robert Lees a director of both 1962 and Brandlogic Ltd. He denies that the mark was registered

without due cause citing his businesses long use of a variety of BENTLEY trade marks upon clothing. He reiterates much of the information contained in his witness statement filed in respect of the revocation actions between the two parties and which is at annex 2 below. He states that during the various telephone conversations with Ms Pridding 1962 expressed their optimism in opposing the Vocati EU trade mark application because of the use they had made of their mark on clothing. It is claimed that the conversations included comments regarding the trading activities of 1962 which would be used as their “proof of use” evidence in the EU case. As it is already in the case I do not propose to summarise the evidence again. Mr Lees also makes a number of comments regarding BML and its evidence and makes various submissions which I shall take into account as and when required in my decision. He includes the following exhibit:

- CRL7: This contains a number of items of correspondence including emails between the two parties over the years. Most of it predates the material date in the instant case. However, on 26 June 2009 Mr Lees contacted Ms Pridding regarding the use of a “winged B” and the word BENTLEY by a company called Vocati on shoes. The email to Ms Pridding states: “As you know, we have the BENTLEY trademark for all class 25 goods in the UK”. He goes on to state “To protect our trade mark, we have filed opposition to Vocati’s application for the EU trademark for “BENTLEY” with regards to clothing on the grounds that it would infringe our own UK trademark”. In October 2010 Ms Pridding asks Mr Lees whether 1962 had had discussions with BENTLEY FASHION (the trading name of Vocati). Mr Lees responded on 26 October 2010 stating that 1962 had been successful in opposing Vocati’s trade mark application, but pointing out that Vocati were still selling shoes with the “winged B” upon them. It is clear from the correspondence that a number of phone conversations also took place during this period.

BML’s Evidence in reply

17) BML filed two witness statements in reply. The first, dated 18 October is by Kate Ellis BML’s Trade Mark Attorney. Her statement consists of submissions and comments on the evidence of 1962, the issues to be decided in the case and the law to be followed. She does however, include a witness statement from Mr Andrew Armitage which was filed in the opposition case 403060 at the IPO, in which he refers to a meeting with Mr

Lees in 2006. The Hearing Officer who determined the case summarised the statement as follows and I adopt his summary:

“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.”

18) The second witness statement, dated 12 October 2016 is by Ms Pridding who has provided evidence earlier in this case. Most of her statement consists of comment upon the evidence of the other side, the issues to be decided or the applicable law. She contends that when she joined BML in June 2007 she had only limited experience of trade mark matters. She reiterates her earlier comments regarding her knowledge of the activity of 1962, stating:

“At paragraph 69 of my first statement, I explain that I was responsible for monitoring the market through internet searches to review the use which is being made of BENTLEY by third parties. It was not until around February /March 2015 when I first became aware of the sales of clothing by B1962.”

And:

“It is also correct that I spoke to Robert Lees on a number of occasions in connection with the opposition proceedings from around 2009. However, I do not

recall during any of the conversations that Robert Lees mentioned to me that B1962 was actually using BENTLEY on clothing”.

19) That concludes my summary of the evidence filed, insofar as I consider it necessary.

DECISION

20) At the hearing there was a preliminary issue as 1962 sought to file additional evidence. The evidence dealt with the issue of whether BML gave away Breitling watches as a promotional item to purchasers of their cars. This had been denied in BML’s evidence and so also reflected on the reliability of the evidence filed by BML. It was clear that BML opposed this evidence being admitted into the case. However, as the document concerned merely contained website addresses where it was claimed evidence could be found I indicated that I would not be taking it into account as the Registry does not seek evidence itself, instead the evidence relied upon must be provided in full, in print to both the Registry and the other party. The first ground of invalidity is under Section 5(2)(b) which reads:

“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.”

21) An “earlier trade mark” is defined in section 6, the relevant part of which states:

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

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

22) BML is relying upon its two trade marks listed in paragraph 2 above which are clearly earlier trade marks. 1962 requested that BML provide proof of use and, given the date of the invalidity request, both of BML’s marks are subject to proof of use. The relevant section states:

“47. - (1) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 3 or any of the provisions referred to in that section (absolute grounds for refusal of registration).

Where the trade mark was registered in breach of subsection (1)(b), (c) or (d) of that section, it shall not be declared invalid if, in consequence of the use which has been made of it, it has after registration acquired a distinctive character in relation to the goods or services for which it is registered.

(2) The registration of a trade mark may be declared invalid on the ground-

- (a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or
- (b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.

(2A) But the registration of a trade mark may not be declared invalid on the ground that there is an earlier trade mark unless –

- (a) the registration procedure for the earlier trade mark was completed within the period of five years ending with the date of the application for the declaration,
- (b) the registration procedure for the earlier trade mark was not completed before that date, or
- (c) the use conditions are met.

(2B) The use conditions are met if –

- (a) within the period of five years ending with the date of the application for the declaration 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, or
- (b) it has not been so used, but there are proper reasons for non-use.

(2C) 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, and
- (b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(2D) In relation to a European Union trade mark or international trade mark (EC), any reference in subsection (2B) or (2C) to the United Kingdom shall be construed as a reference to the European Union.

(2E) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.

(2F) Subsection (2A) does not apply where the earlier trade mark is a trade mark within section 6(1)(c)

(3) An application for a declaration of invalidity may be made by any person, and may be made either to the registrar or to the court, except that-

(a) if proceedings concerning the trade mark in question are pending in the court, the application must be made to the court; and

(b) if in any other case the application is made to the registrar, he may at any stage of the proceedings refer the application to the court.

(4) In the case of bad faith in the registration of a trade mark, the registrar himself may apply to the court for a declaration of the invalidity of the registration.

(5) Where the grounds of invalidity exists in respect of only some of the goods or services for which the trade mark is registered, the trade mark shall be declared invalid as regards those goods or services only.

(6) Where the registration of a trade mark is declared invalid to any extent, the registration shall to that extent be deemed never to have been made.

Provided that this shall not affect transactions past and closed.”

PROOF OF USE

23) I must first consider whether BML has fulfilled the requirement to show that genuine use of its marks has been made. In the instant case the date of application for invalidity was 18 December 2015, therefore the relevant period for the proof of use is 19 December 2010 – 18 December 2015. In deciding this issue I take into account the case of *The London Taxi Corporation Limited v Frazer-Nash Research Limited & Ecotive Limited*, [2016] EWHC 52, where Arnold J. summarised the case law on genuine use of trade marks. He said:

“I would now summarise the principles for the assessment of whether there has been genuine use of a trade mark established by the case law of the Court of Justice, which also includes Case C-442/07 *Verein Radetsky-Order v*

Bunderversvereinigung Kamaradschaft 'Feldmarschall Radetsky' [2008] ECR I-9223 and Case C-609/11 *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], [2014] ETMR 7, as follows:

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

(2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Centrotherm* at [71]; *Leno* at [29].

(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 to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Centrotherm* at [71]; *Leno* at [29].

(4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: *Ansul* at [37]. Internal use by the proprietor does not suffice: *Ansul* at [37]; *Verein* at [14]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle* at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].

(5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d'être* of the mark, which is to create or preserve an outlet for the goods or services that bear the mark: *Ansul* at [37]-[38]; *Verein* at [14]; *Silberquelle* at [18]; *Centrotherm* at [71].

(6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including:
(a) whether such use is viewed as warranted in the economic sector concerned to

maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence that the proprietor is able to provide; and (g) the territorial extent of the use: *Ansul* at [38] and [39]; *La Mer* at [22]-[23]; *Sunrider* at [70]-[71], [76]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34]; *Leno* at [29]-[30], [56].

(7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving 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. Thus there is no *de minimis* rule: *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72]; *Leno* at [55].

(8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [32].”

24) Although minimal use may qualify as genuine use, the CJEU stated in Case C-141/13 P, *Reber Holding GmbH & Co. KG v OHIM* (in paragraph 32 of its judgment), that “*not every proven commercial use may automatically be deemed to constitute genuine use of the trade mark in question*”. The factors identified in point (5) above must therefore be applied in order to assess whether minimal use of the mark qualifies as genuine use.

25) I also take into account the comments of Mr Daniel Alexander Q.C. as the Appointed Person in *Awareness Limited v Plymouth City Council*, Case BL O/230/13, where he stated that:

“22. The burden lies on the registered proprietor to prove use..... However, it is not strictly necessary to exhibit any particular kind of documentation, but if it is likely that such material would exist and little or none is provided, a tribunal will be

justified in rejecting the evidence as insufficiently solid. That is all the more so since the nature and extent of use is likely to be particularly well known to the proprietor itself. A tribunal is entitled to be sceptical of a case of use if, notwithstanding the ease with which it could have been convincingly demonstrated, the material actually provided is inconclusive. By the time the tribunal (which in many cases will be the Hearing Officer in the first instance) comes to take its final decision, the evidence must be sufficiently solid and specific to enable the evaluation of the scope of protection to which the proprietor is legitimately entitled to be properly and fairly undertaken, having regard to the interests of the proprietor, the opponent and, it should be said, the public.”

and further at paragraph 28:

“28. I can understand the rationale for the evidence being as it was but suggest that, for the future, if a broad class, such as “tuition services”, is sought to be defended on the basis of narrow use within the category (such as for classes of a particular kind) the evidence should not state that the mark has been used in relation to “tuition services” even by compendious reference to the trade mark specification. The evidence should make it clear, with precision, what specific use there has been and explain why, if the use has only been narrow, why a broader category is nonetheless appropriate for the specification. Broad statements purporting to verify use over a wide range by reference to the wording of a trade mark specification when supportable only in respect of a much narrower range should be critically considered in any draft evidence proposed to be submitted.”

26) In *Dosenbach-Ochsner Ag Schuhe Und Sport v Continental Shelf 128 Ltd*, Case BL 0/404/13, Mr Geoffrey Hobbs Q.C. as the Appointed Person stated that:

“21. The assessment of a witness statement for probative value necessarily focuses upon its sufficiency for the purpose of satisfying the decision taker with regard to whatever it is that falls to be determined, on the balance of probabilities, in the particular context of the case at hand. As Mann J. observed in *Matsushita Electric Industrial Co. v. Comptroller- General of Patents* [2008] EWHC 2071 (Pat); [2008] R.P.C. 35:

[24] As I have said, the act of being satisfied is a matter of judgment. Forming a judgment requires the weighing of evidence and other factors. The evidence required in any particular case where satisfaction is required depends on the nature of the inquiry and the nature and purpose of the decision which is to be made. For example, where a tribunal has to be satisfied as to the age of a person, it may sometimes be sufficient for that person to assert in a form or otherwise what his or her age is, or what their date of birth is; in others, more formal proof in the form of, for example, a birth certificate will be required. It all depends who is asking the question, why they are asking the question, and what is going to be done with the answer when it is given. There can be no universal rule as to what level of evidence has to be provided in order to satisfy a decision-making body about that of which that body has to be satisfied.

22. When it comes to proof of use for the purpose of determining the extent (if any) to which the protection conferred by registration of a trade mark can legitimately be maintained, the decision taker must form a view as to what the evidence does and just as importantly what it does not ‘*show*’ (per Section 100 of the Act) with regard to the actuality of use in relation to goods or services covered by the registration. The evidence in question can properly be assessed for sufficiency (or the lack of it) by reference to the specificity (or lack of it) with which it addresses the actuality of use.”

27) BML is relying upon its registration EU 3925187 for “Jewellery & watches” in class 14 and “Leather and imitations of leather and goods made therefrom; bags, holdalls, wallets, purses” in Class 18. I turn first to consider the class 14 goods. It is clear from the evidence filed that a considerable number of watches have been sold under the collaboration agreement with Breitling. However, the last figures and brochures are for 2009, before the relevant period. BML contended that from the brochures dated up until 2008 it is clear that they offered items “such as cufflinks, non-licence watches, key fobs, key rings and lapel pins”. Indeed this same description was used in relation to the figures provided relating to class 14 goods from 2010-2014 inclusive. However, no actual breakdown of sales per item was provided. Nor were any invoices relating to sales or purchases of individual goods provided. Instead, I was asked to infer that, as these items

had been included in brochures up until 2008, that all of the items were being offered for sale during the relevant period and that sales of all the items listed would have occurred under the Bentley mark. I note that sterling silver hip flasks were also included in the brochures and would probably fall within class 14 as an item of precious metal but cannot be considered as “jewellery” yet might, it is not clear, have been included in the figures provided. BML’s best case, which Ms Scott acknowledged, in respect of its class 14 goods was clearly under items such as cufflinks and tie pins which it contended would be regarded as complementary to certain items of clothing such as dress shirts and ties. Items such as watches and key rings/fobs would not be regarded as similar or complementary to items of clothing. It therefore behoved BML to provide evidence of sales of cufflinks. It is clear from the comments of the learned judge at paragraph 23 above that where it would have been relatively easy for BML to submit invoices/sales slips relating to items such as cufflinks for the relevant period I should be slow to accept inconclusive evidence. Indeed at the hearing, when I made my misgivings about the evidence provided plain to BML, Ms Scott asked permission to file additional evidence which BML had with them. I declined to allow the evidence into the proceedings as it would have unfairly prejudiced 1962, as they would have had no chance to study the evidence now being offered, and also unable to file evidence in reply. It merely points up that such evidence was freely available to BML yet they failed to file it, despite their evidence in this case far exceeding the 300 page limit before directions should be sought. **I therefore find that BML has failed to provide any evidence of use of its mark on “jewellery and watches” in the relevant period.**

28) I next turn to consider whether BML has shown use of its mark upon goods in class 18 during the relevant period. Once again the figures for class 18 goods are provided only until 2009. The majority of the brochures are also dated prior to the relevant date, these show use of BML’s mark upon items of luggage, sports bags, wallets and purses. The only exception is JP9 which shows pages from BML’s internet site, dated 2013, offering two handbags for sale. Clearly, handbags provide BML’s strongest case as they can be regarded as complementary to items of women’s clothing, whereas items of luggage, sports bags, wallets and purses would not be regarded as complementary. Again BML has simply provided pages from the internet with no sales figures and no invoices or sales receipts. The absence of sales figures for class 18 goods in the relevant period from the table shown at paragraph 7 above is either highly telling or a gross

omission. Instead I am asked to infer that sale would have occurred, or to rely upon other cases between the two parties where the Registry found use, but where the evidence was presumably different and has not been adopted into the instant case. **I do not accept that BML have met the burden upon them to show that they have used their mark upon any goods in class 18 during the relevant period.**

29) As I have found that BML has failed to provide evidence of genuine use of its marks upon any of the goods relied upon in its section 5(2)(b) case this ground of invalidity must fail.

30) I next turn to the ground of invalidity based upon Sections 47 & 5(3). Section 47 has been reproduced earlier in this decision at paragraph 20. Section 5(3) 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 a European Union trade mark or international trade mark (EC), in the European Union) 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.”

31) BML seeks to rely only upon its use of the mark BENTLEY upon motor cars and car related goods all in class 12. At paragraph 21 earlier in this decision I set out the criteria to be met in respect of proof of use. I also stated that in the instant case the date of application for invalidity was 18 December 2015, therefore the relevant period for the proof of use is 19 December 2010 – 18 December 2015. Surprisingly, given that it only seeks to rely upon its use of the mark BENTLEY upon motor cars under this heading the evidence of use was sparse to put it mildly. Whilst sales figures in terms of numbers of units and revenue accrued are provided for a large number of items such as pens and watches, details of sales of cars are provided only prior to 2008, with the exception of the statement:

“... the UK is now the third largest market for Bentley with around 1,400 Bentley branded cars being manufactured and sold annually in the UK from 2013 to 2015”.

32) Although it would seem to be a relatively easy thing for a motor manufacturer to provide accurate sales figures and revenues for its primary product, I am, reluctantly, willing to accept that the above statement is sufficient to satisfy the proof of use requirements, especially as 1962 have not challenged this aspect of the evidence of BML. **BML have met the proof of use requirement.**

33) When considering the issues under this section I take into account the relevant case law found in the following judgments of the CJEU: Case C-375/97, *General Motors*, [1999] ETMR 950, Case 252/07, *Intel*, [2009] ETMR 13, Case C-408/01, *Addidas-Salomon*, [2004] ETMR 10 and C-487/07, *L'Oreal v Bellure* [2009] ETMR 55 and Case C-323/09, *Marks and Spencer v Interflora*. The law appears to be as follows.

a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors, paragraph 24*.

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public; *General Motors, paragraph 26*.

(c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Saloman, paragraph 29* and *Intel, paragraph 63*.

(d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark's reputation and distinctiveness; *Intel, paragraph 42*

(e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the

future; *Intel, paragraph 68*; whether this is the case must also be assessed globally, taking account of all relevant factors; *Intel, paragraph 79*.

(f) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious risk that this will happen in future; *Intel, paragraphs 76 and 77*.

(g) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; *Intel, paragraph 74*.

(h) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact of the earlier mark; *L'Oreal v Bellure NV, paragraph 40*.

(i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This 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 (*Marks and Spencer v Interflora, paragraph 74 and the court's answer to question 1 in L'Oreal v Bellure*).

34) I must first determine, if at the relevant date for the invalidation (22 December 2008) BML had a reputation in relation to motor cars under its BENTLEY marks. The test for 'reputation' was set out by the CJEU in *General Motors*. The earlier mark must be known by 'a significant part' of the relevant public. Some commentators have regarded this as setting a low threshold. In *Iron & Smith kft v Unilever NV*, Case Case C-125/14, the CJEU was asked whether a CTM (now an EUTM) with a reputation 'in the Community' (now the European Union), but not in the member state where infringement was alleged, was capable of being infringed under provisions of the Community Trade Mark Regulation (now the European Union Trade Mark Regulation) broadly equivalent to s.5(3) of the Act. The court answered that:

"If the earlier Community trade mark has already acquired a reputation in a substantial part of the territory of the European Union, but not with the relevant public in the Member State in which registration of the later national mark concerned by the opposition has been applied for, the proprietor of the Community trade mark may benefit from the protection introduced by Article 4(3) of Directive 2008/95 where it is shown that a commercially significant part of that public is familiar with that mark, makes a connection between it and the later national mark, and that there is, taking account of all the relevant factors in the case, either actual and present injury to its mark, for the purposes of that provision or, failing that, a serious risk that such injury may occur in the future."

35) A European Union trade mark may therefore be known to "a commercially significant part of the public concerned by the products or services covered by that trade mark" in the Union, without meeting the usual threshold in a particular Member State. Nevertheless, provided that the mark is known to "a commercially significant part of" the relevant public in the Member State in which protection is sought it may be entitled to extended protection on account of its reputation in the Union. It is apparent from the court's judgment that the latter requirement is intended to cover situations where there is a lower, but still significant, degree of recognition of the EUTM in the Member State. This is confirmed by other language versions of the judgment. The French version says that a "commercially non-negligible" part of the relevant public in the Member State must be aware of the earlier CTM (now EUTM) and make a link with the later national trade mark. As a matter of logic, a national trade mark with a qualifying reputation in the UK must

therefore be known to more than the lower 'non-negligible' part of the relevant public described in *Iron & Smith*."

36) Initially at the hearing 1962 indicated that it was accepted that BML had reputation for its cars, but later this was amended to an acceptance that BML only had a reputation currently i.e. not necessarily at the relevant date. 1962 contended that BML has had a chequered history, with its cars being regarded as unreliable and also referring to its involvement, as part of the Volkswagen Group, in the emissions scandal in the USA and EU markets. Whilst I note these statements it does not mean that BML did not have a reputation for its cars. The evidence filed is very clear that throughout the history of the Bentley marque the cars have been aspirational because of their racing heritage, and connotations of speed and luxury. It is also clear that throughout its history a BENTLEY car has been unaffordable for the vast majority of UK and indeed world citizens. They have always cost, on average, five/six times the average salary in the UK. Despite being for a number of years, effectively a Rolls Royce model with a few minor cosmetic changes and a set of Bentley badges, this did little to dim the reputation of either marque. Both marques were often referred to as something which could be purchased if one were to win a huge prize on the pools/lottery. The amount of media coverage Bentley cars receive in comparison to the number of cars actually sold is disproportionate precisely because of this aspirational nature. Very few people read reviews of mundane cars which they may be familiar with, whereas they will read about cars they will probably never have a chance to own, drive or even sit in. I therefore reject 1962's contention, and find that the trade mark "BENTLEY" had reputation in respect of cars with a significant proportion of the UK population at the relevant date, 22 December 2008. However, I do not accept BML's contention that it had a reputation in relation to car-related products as the evidence simply does not back up such a contention other than for mechanical parts for its vehicles.

37) I must next determine whether a significant proportion of the relevant public, made up of average consumers would call to mind the earlier "BENTLEY" mark if confronted with the mark in suit on clothing on 22 December 2008. BENTLEY is a relatively common British surname, and whilst BML has a substantial reputation for cars, at the relevant date it has not shown that it had a reputation in respect of clothing. I fully accept that prior to the relevant date BML offered initially through its car distributors a limited range of

clothing such as ties, scarves, cravats and handkerchiefs which featured discreet images of the “winged B” or images of Bentley cars on them, with the term BENTLEY reserved for the label on the side/back of the item. Later, but still prior to the relevant date it also offered via its website a range of clothing such as shirts, jumpers, jackets and caps related to the return to racing at Le Mans. These had the words “Team Bentley” or the “winged B” emblazoned upon them in order to show that the wearer was a supporter of the racing team. The word BENTLEY was again reserved for the label on the inside. BML has provided sales figures for its clothing in the UK and during the period 2005-2008 inclusive these averaged just under £41,000 per annum. In the context of clothing sales in general in the UK the average sales turnover is tiny.

38) It is clear that the marks of the two parties are identical. Equally it is obvious that the goods are not similar (cars v clothing). This is not fatal to an opposition under section 5(3), but it is relevant to the likelihood of the relevant public making a link between the marks. I also accept that BML has shown that it has a reputation for cars amongst a significant proportion of the UK public who would also be the relevant consumers for 1962's clothing. In deciding this issue I take into account the comments of Mr Geoffrey Hobbs Q.C. (sitting as a Deputy Judge) in *Electrocoin Automatics Limited and Coinworld Limited and Others* [2005] FSR 7:

“102. I think it is clear that in order to be productive of advantage or detriment of the kind prescribed, ‘the link’ established in the minds of people in the market place needs to have an effect on their economic behaviour. The presence in the market place of marks and signs which call each other to mind is not, of itself, sufficient for that purpose.”

39) I also look to the case of *Intel Corporation Inc v CPM United Kingdom Ltd* [2006] EWCH 1878 where Patten J said at para 28:

“But the first step to the exploitation of the distinctive character of the earlier mark is necessarily the making of the association or link between the two marks and all that Neuberger J is, I think, saying in this passage [Premier Brands at p. 789] is that the existence of a later mark which calls to mind the earlier established mark is not sufficient to ground an objection under s.5(3) or s.10(3) unless it has one or other of

the consequences specified by those provisions. It must be right that the making of the association is not necessarily to be treated as a detriment or the taking of an unfair advantage in itself and in cases of unfair advantage it is likely to be necessary to show that the making of the link between the marks had economic consequences beneficial to the user of the later mark. But in relation to detriment the position is more complicated. The association between two marks and therefore potentially between the products or services to which they relate may be detrimental to the strength and reputation of the earlier mark if it tarnishes it by association or makes it less distinctive. This is likely to take place as a consequence of the same mental process which links the two marks in the minds of consumers and is essentially a negative reaction and effect.”

40) BML has a reputation for its cars. Consumers who know of and purchase from BML may bring BML to mind if they see 1962’s goods advertised.

UNFAIR ADVANTAGE AND DUE CAUSE

41) I now have to consider whether such a link gives an unfair advantage to 1962’s mark or whether it is detrimental to the reputation of the BENTLEY mark, and whether 1962 had due cause to use its mark. In considering these issues I take into account the comments of Arnold J. in *Jack Wills Limited v House of Fraser (Stores) Limited* [2014] EWHC 110 (Ch) where he considered the earlier case law and concluded that:

“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.

81. The second question is whether there is a requirement for evidence of a change in the economic behaviour of consumers or a serious likelihood of such a change. As counsel for House of Fraser pointed out, the CJEU has held that proof that the use of the sign is or would be detrimental to the distinctive character of the trade mark requires evidence of a change in the economic behaviour of the average consumer of the goods or services for which the trade mark is registered or a serious likelihood that such change will occur in the future: see *Intel* at [77], [81] and Case C-383/12 *Environmental Manufacturing LLP v Office for Harmonisation in the Internal Market* (unreported, 14 November 2013) at [34]-[43]. As counsel for House of Fraser accepted, there is no requirement for evidence of a change in the economic behaviour of consumers of the *trade mark proprietor's* goods or services in order to establish the taking of unfair advantage of the distinctive character or repute of the trade mark. He submitted, however, that it was necessary that there should be evidence of a change in the economic behaviour of the consumers of the *defendant's* goods or services.

82. Counsel for Jack Wills did not dispute that, in order for advantage to be taken of the trade mark's distinctive character or repute, it was necessary for there to be some change in the behaviour of the defendant's consumers as a result of the use of the allegedly infringing sign, or a serious likelihood of such a change. Nor did he dispute that what was required was a change in the behaviour of the consumers as consumers of the relevant goods and services, and in that sense in their economic behaviour. He submitted, however, that the trade mark proprietor could not be expected to adduce positive evidence that consumers had changed their behaviour as a result of the use of the sign.

83. In my judgment the correct way to approach this question is to proceed by analogy with the approach laid down by the Court of Justice in *Environmental Manufacturing* in the following passage:

“42. Admittedly, Regulation No 207/2009 and the Court's case-law do not require evidence to be adduced of actual detriment, but also admit the serious risk of such detriment, allowing the use of logical deductions.

43. None the less, such deductions must not be the result of mere suppositions but, as the General Court itself noted at paragraph 52 of the judgment under appeal, in citing an earlier judgment of the General Court, must be founded on ‘an analysis of the probabilities and by taking account of the normal practice in the relevant commercial sector as well as all the other circumstances of the case’.”

42) I also take into account the case of *Mäurer + Wirtz GmbH & Co KG v OHIM*, Case T-63/07, where the General Court held that:

“40. It is possible, particularly in the case of an opposition based on a mark with an exceptionally high reputation, that the probability of a future, non-hypothetical risk of detriment to the earlier mark or of unfair advantage being taken of it by the mark applied for is so obvious that the opposing party does not need to put forward and prove any other fact to that end. However, it is also possible that the mark applied for does not, at first sight, appear capable of giving rise to one of the risks covered by Article 8(5) of Regulation No 40/94 with respect to the earlier mark with a reputation, even though it is identical with or similar to the earlier mark, in which case the non-hypothetical, future risk of detriment or unfair advantage must be established by other evidence, which it is for the opposing party to put forward and prove (Case T-215/03 *Sigla v OHIM –Elleni Holding (VIPS)* [2007] ECR II-711, paragraph 48).”

43) In *Leidseplein Beheer BV v Red Bull*, Case C-65/12, the CJEU held that:

“43. In a system for the protection of marks such as that adopted, on the basis of Directive 89/104, by the Benelux Convention, however, the interests of a third party in using, in the course of trade, a sign similar to a mark with a reputation must be considered, in the context of Article 5(2) of that directive, in the light of the possibility for the user of that sign to claim ‘due cause’.

44. Where the proprietor of the mark with a reputation has demonstrated the existence of one of the forms of injury referred to in Article 5(2) of Directive 89/104 and, in particular, has shown that unfair advantage has been taken of the distinctive character or the repute of that mark, the onus is on the third party using a sign similar to the mark with a reputation to establish that he has due cause for using such a sign (see, by analogy, Case C-252/07 *Intel Corporation* [2008] ECR I-8823, paragraph 39).

45. It follows that the concept of 'due cause' may not only include objectively overriding reasons but may also relate to the subjective interests of a third party using a sign which is identical or similar to the mark with a reputation.

46. Thus, the concept of 'due cause' is intended, not to resolve a conflict between a mark with a reputation and a similar sign which was being used before that trade mark was filed or to restrict the rights which the proprietor of that mark is recognised as having, but to strike a balance between the interests in question by taking account, in the specific context of Article 5(2) of Directive 89/104 and in the light of the enhanced protection enjoyed by that mark, of the interests of the third party using that sign. In so doing, the claim by a third party that there is due cause for using a sign which is similar to a mark with a reputation cannot lead to the recognition, for the benefit of that third party, of the rights connected with a registered mark, but rather obliges the proprietor of the mark with a reputation to tolerate the use of the similar sign.

47. The Court thus held in paragraph 91 of the judgment in *Interflora and Interflora British Unit* (a case concerning the use of keywords for internet referencing) that where the advertisement displayed on the internet on the basis of a keyword corresponding to a trade mark with a reputation puts forward – without offering a mere imitation of the goods or services of the proprietor of that trade mark, without being detrimental to the repute or the distinctive character of that mark and without, moreover, adversely affecting the functions of the trade mark concerned – an alternative to the goods or services of the proprietor of the trade mark with a reputation, it must be concluded that such a use falls, as a rule, within the ambit of fair competition in the sector for the goods or services concerned and is thus not without 'due cause'.

48. Consequently, the concept of 'due cause' cannot be interpreted as being restricted to objectively overriding reasons.

44) I must therefore consider whether, when the link is made, would it be likely to affect the economic behaviour of 1962's customers or potential customers and as a result of the link 1962 will sell more of its goods as a result. It is clear that, prior to the relevant date (22 December 2008) BML had a substantial reputation in manufacturing cars. It is also clear from the unchallenged evidence at paragraph 13 above that BML was told in 1998 of sales of Bentley clothing including sales figures dating from 1993, which together with the adopted evidence at annex A of sales in 2007 and 2008 provides 1962 with due cause to use the mark BENTLEY upon its' clothing. I note that 1962's mark was registered and used from at least 1998 at which date there was no evidence of an established merchandising connection between car marks and clothing. Use of the mark in suit by 1962 will not take unfair advantage of the repute of BML's mark. Nor do I accept that there would be detriment or tarnishing of BML's mark. **The ground of opposition under section 5(3) fails.**

45) I acknowledge that this finding goes against the Hearing Officer's findings in case O-063-16 but in that case the Hearing Officer was looking at the position at a later date and on different evidence and so I do not believe that there is inconsistency.

46) The last ground of invalidity under section 47 is based upon section 5(4)(a), which reads:

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

- (a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

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

47) 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."

48) 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.”

49) First I must determine the date at which BML’s claim is to be assessed; this is known as the material date. In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11, Mr Daniel Alexander QC as the Appointed Person considered the relevant date for the purposes of s.5(4)(a) of the Act and concluded as follows:

“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.’ ”

50) The mark in suit was applied for on 22 December 2008, and is, therefore, the material date. However, if 1962 had used its trade mark prior to this then this use must also be taken into account. It could, for example, establish that 1962 is the senior user, or that the status quo should not be disturbed; any of which could mean that 1962’s use would not be liable to be prevented by the law of passing-off – the comments in *Croom’s Trade Mark Application [2005] RPC 2* and *Daimlerchrysler AG v Javid Alavi (T/A Merc) [2001] RPC 42* refer. BML contends that the exact date of when 1962 began using its mark BENTLEY is unclear, but that even if this were before 2008 it certainly does not go back as far as its use which began in the 1920s. I agree that the exact date that 1962 began use of its mark is unclear, but at the first meeting between the parties in 1998 Mr Lees states that he provided sales figures for the years 1993-1997 to BML (paragraph 13 above) and this statement has not been challenged. I also note that Brandlogic Ltd and 1962 (paragraph 13 above) were both incorporated in 1997 and no challenge has been made to the statement that these companies have used the mark BENTLEY on clothing since this date until the hiatus in 2010. For the purposes of this ground of invalidity **the material date must be 1997/8.**

Goodwill

51) I now turn to consider the evidence filed by BML to determine when it began use of its marks and upon which goods and services. In determining this I take into account of the guidance in the case of *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.”

52) However, in *Minimax GmbH & Co KG v Chubb Fire Limited* [2008] EWHC 1960 (Pat) Floyd J. (as he then was) 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.”

53) From the evidence filed by BML it is clear that they have had goodwill in cars for a considerable period, probably since the 1930s at least. In relation to other goods paragraph 7 & 8 suggest that use on watches began in 2003 and on pens in 2006. The figures at paragraph 7 for clothing are suspect and only begin in 2005 and even then are very small, however the exhibits (JP3,6 & 7) show use on clothing from 2000. The

evidence regarding other classes of goods such class 14 & 18 is weak or non-existent as to precisely what was sold. **I conclude that BML has shown it has goodwill in the mark BENTLEY in respect of cars and watches amongst a substantial proportion of the population of the UK, and to a lesser extent it has goodwill in clothing.**

MISREPRESENTATION

54) 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.”

“The role of the court, including this court, was emphasised by *Lord Diplock in GE Trade Mark* [1973] R.P.C. 297 at page 321 where he said:

‘where the goods are sold to the general public for consumption or domestic use, the question whether such buyers would be likely to be deceived or confused by the use of the trade mark is a “jury question”. By that I mean: that if the issue had now, as formerly, to be tried by a jury, who as members of the general public would themselves be potential buyers of the goods, they would be required not only to consider any evidence of other members of the public which had been adduced but also to use their own common sense and to consider whether they would themselves be likely to be deceived or confused.

The question does not cease to be a “jury question” when the issue is tried by a judge alone or on appeal by a plurality of judges. The judge's approach to the question should be the same as that of a jury. He, too, would be a potential buyer of the goods. He should, of course, be alert to the danger of allowing his own idiosyncratic knowledge or temperament to influence his decision, but the whole of his training in the practice of the law should have accustomed him to this, and this should provide the safety which in the case of a jury is provided by their number. That in issues of this kind judges are entitled to give effect to their own opinions as to the likelihood of deception or confusion and, in doing so, are not confined to the evidence of witnesses called at the trial is well established by decisions of this House itself.”

55) The evidence is clear that 1962 began selling clothing under the BENTELY brand at least as early as 1998. At this date BML had only goodwill in respect of cars and the evidence shows that in 1998 clothing was not a common brand extension for car manufacturers. Therefore, that the necessary misrepresentation required by the tort of passing off will not occur and the invalidity action based upon section 5(4)(a) must fail. Even if BML could have succeeded in 1998, by 2008 both sides had established goodwill under BENTLEY in relation to clothing, in which case 1962's continued use of BENTLEY in relation to clothing would not have construed a misrepresentation to the public as per

Crooms (paragraph 49 above) and *Habib Bank Ltd v Habib Bank AG Zurich* [1982] RPC at 24.

56) I will lastly consider the issue of acquiescence which was pleaded by 1962. The relevant section states:

“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.

(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.”

57) At the hearing Ms Scott referred me to the case of *Budejovicky Budvar, narodni podnik v Anhauser-Busch Inc*; Case C-482/09 [2012] ETMR 2 which she summarised for the instant case thus:

“The ECJU identified four pre-requisites for the running of the five year limitation period (see in particular [54] – [62]):

(a) the contested mark must be registered.

(b) The application for the contested mark must have been made in good faith.

(c) B1962 must use the contested mark in the UK.

(d) Bentley motors must be aware of the registration of the contested mark and of the use of the contested mark after its registration.”

58) I fully agree with the analysis. I turn now to the substance of the registered proprietor's defence under Section 48. It is clear that the contested mark is registered and, from my earlier findings was made in good faith as it was merely an extension (to include footwear) of existing registered rights. It is also clear from the evidence that the mark was used by 1962 for a number of years up until 2010/11. There then followed a period where they were attempting to re-launch the brand and entered into a series of negotiations, many of which foundered upon the fears of those companies of being sued by BML due to its claims to be the rightful owners of the mark BENTLEY. Sales of clothing under the BENTLEY mark then re-commenced in January 2015. As such 1962 have not used their mark continuously for five years prior to the invalidity action being filed. In the absence of use BML could not have been said to have acquiesced to the use by 1962.

CONCLUSION

59) The invalidity action has failed under all grounds and so the mark will remain on the register unchanged.

COSTS

60) As 1962 has been successful it is entitled to a contribution towards its costs. 1962 requested that I took into account the volume of evidence filed by BML in these proceedings, some of which I have criticised. For its part BML asked me to take into account the failure of 1962 to accept that BML had reputation and goodwill under the BENTLEY mark for cars, a criticism with which I agree. Instead of awarding costs off the scale as requested I believe that the above factors effectively offset each other. I also take into account that the applicant has represented itself throughout the proceedings.

Preparing a statement and considering the other side's statement	£300
Preparing evidence and considering the other side's	£600
Attending the hearing and preparing submissions	£600
TOTAL	£1500

61) I order Bentley Motors Limited to pay Bentley 1962 Limited Ltd the sum of £1,500. This sum to be paid within fourteen days of the expiry of the appeal period or within

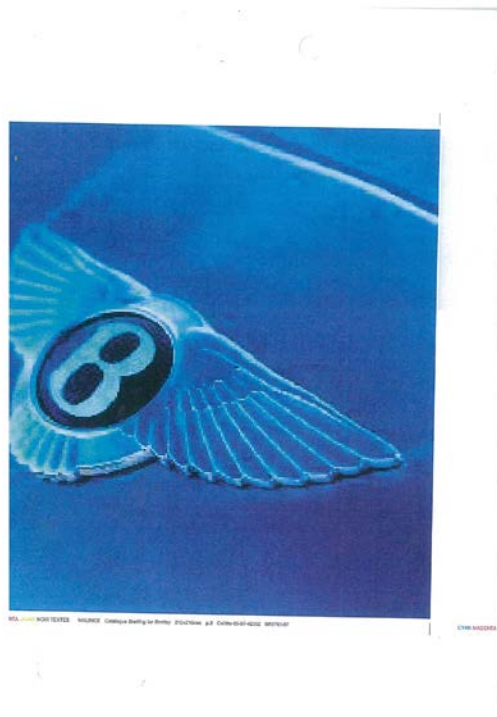
fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 15th day of March 2017

**G W Salthouse
For the Registrar
the Comptroller-General**

ANNEX 1

Winged letter “B”.



ANNEX 2

Summary of statement by Mr Christopher Robert Lees originally filed in the consolidated revocation actions 500871, 500872, 500873, 500874 & 500875.

“5) 1962 filed five witness statements. The first, dated 16 October 2015, is by Christopher Robert Lees the Director of 1962. He is also a director of Brandlogic Ltd which is part of 1962’s group. The other directors of the two companies are Robert Francis Ashworth Lees and Richard Michael Lees. In his statement he refers to all the marks collectively as “Bentley”. He states that his company sells to retailers as well as direct to the public via retail concessions. He states that the company has also sought partnerships and licence agreements with other companies in order to fully exploit the Bentley mark. He confirms that the mark have been used on a wide range of clothing and that the marks appear on garment labels, garment embellishments, ticketing, point of sale signs and advertisements.

6) Mr Lees explains that use of the Bentley marks has been predominantly by Brandlogic Ltd, with both companies having the same address and the same Directors. The two companies are controlled by the Lees family who have owned the two companies and the trade marks throughout the relevant period. He states that use of the marks by Brandlogic Ltd is with the consent of 1962. He states that the company was initially incorporated as Nextstand Ltd on 24 November 1997, changing its name to Bentley Advanced Technology Clothing Ltd on 18 May 2005 and then becoming 1962 on 6 December 2010. Similarly, the trade marks in the instant case were purchased by Nextstand Ltd on 21 July 1998, before being assigned to Richard and Christopher Lees in March 2001, then assigned in December 2010 back to Bentley Advanced Technology Clothing Ltd which then became 1962. Exhibits CRL 1 & 2 confirm these statements with photocopies of various entries in the Companies House Register and IPO register.

7) Mr Lees provides the following retail sales figures for the Bentley marks in the UK as follows:

Year	Sales £
2007	53,797
2008	76,206
2009	74,917
2010	55,741

8) Mr Lees states that the development of the marks has been hampered by the activities of BM which has sought to claim ownership of the mark BENTLEY for clothing and which has caused potential customers to cast doubt upon the legal right of 1962 to trade under its marks and that this has hampered development plans. He provides details of discussions between BM and 1962 in 1998 regarding collaboration between the two parties, but following meetings and exchanges of correspondence the matter went no further. Then, in 2005, BM sought to register the mark BENTLEY for clothing. 1962 wrote reminding BM of the previous communications but received a reply from BM's lawyers stating that they hoped an agreement would be reached. However, following publication of the BM mark 1962 filed an opposition which led to BM withdrawing its application. He describes how 1962 also found out that BM had infringed its trade marks and sought an agreement rather than going to court. At a meeting with BM he was informed that BM had approached a number of UK companies regarding producing and selling clothing on behalf of BM. Several of these companies have dealt with 1962. Mr Lees states that they were led to think by BM that an agreement would be possible. 1962 also took action to stop a Bulgarian company registering a Bentley mark at OHIM in 2007/08.

9) Mr Lees provides a chronology of the use and reasons for non-use of the Bentley marks by 1962. He states that the company has always placed the greatest weight upon use of the word mark BENTLEY, and that this has appeared on all garments labels, ticketing signs, brochures and sales returns. He states that until mid-2010 his company sold a range of clothing under the marks in suit through concessions in various department stores and retail outlets across the UK. Because only Bentley branded items were supplied no catalogues or brochures were required and consequently it was unusual to take photographs of the goods. However, he has managed to locate some photographs which are included at exhibit CRL 6. The concession stores were run by Baird Menswear Brands (BMB) and contracts were with the company rather than the stores. From March 2009 until 31 December 2010 turnover in Bentley brand goods through these outlets totalled approximately £130,658. The clothing included men's and ladies' clothing, sweaters, T-shirts, shirts, knitwear, jersey wear, jersey shirts, polo shirts, jackets, coats, gilets, waistcoats, hats, scarves and gloves. In addition the company also supplied department stores such as, inter alia, a chain of Vergo stores in East Anglia and South England, Lewis' in Liverpool, Joplings in Sunderland and The Co-operative Society in Tamworth, until March 2010. At exhibit CRL 5 he provides copies of three concession

agreements, which state that they will run for a minimum period of six months, but will continue until terminated. These stores produced weekly sales reports of the goods sold.

10) Mr Lees states: "Following a review of our business and commercial strategy, we decided to move away from directly managing our own concessions in March 2010." The company therefore looked for potential partners to take the brand forwards. He states that a number were deterred by the potential dispute with BM. Although some discussions have gone well they have also had the misfortune of some of the potential partners going into liquidation. The company sold its concession retail business to a mail order firm Chums Ltd in March 2010, however he claims that they still sold through seven retail stores in England such as Baldwins Department stores in Ipswich, Stowmarket & Harwich; Hearts Delight Garden Centre in Essex and also Ena Mill Retail Ltd, Broadstone Mill Shopping Outlet Ltd and Total Cricket Ltd for which locations are not provided. Mr Lees states that the process of garment design can be a drawn out process. He claims that 1962 have spent much of the time between 2010 and present in seeking partners/licenseses to produce the products.

11) Mr Lees states that 1962 commissioned design work from Paul Cartwright Branding UK Ltd which included various T-shirt designs, a redesigned website, and artwork for various labels, badges and swing tags. Exhibit CRL 17 refers. He goes onto state that in 2013 1962 held discussions with yourbrandspace.com, a website which wholesales fashion brands to retailers. However, the exhibit merely consists of pages from the wholesaler's website showing how to apply to have them sell your items. The garments are said to have been produced for 1962 by a Portuguese company called Tips & Trends. Unfortunately the samples provided were not of the required standard.

12) Mr Lees also claims that in 2013 detailed discussions took place with a company called Chilli Ltd regarding a potential license agreement. A heads of agreement was drawn up, but at the last moment Chilli Ltd pulled out of the deal due to their concern about BM's legal and commercial position regarding use of the Bentley trademark on clothing. Following this, he states that 1962 held discussions with I-TEX (UK) Ltd which designs garments and also arrange for their manufacture. These designs are shown at exhibit CRL 26, where AW14 refers to Autumn/Winter 2014 and SS15 refers to Spring/Summer 2015. The designs covered garments such as hooded sweatshirts, t-

shirts, polo and rugby shirts, knitted jumpers, socks, hats, coats, jackets and shorts. A pro-forma invoice was issued by I-Text to Brandlogic Ltd on 14 October 2014 for a 25% deposit on an order for £55,962 worth of goods. Because of a late change in the payment terms this order was not actually placed.

13) Whilst seeking to get goods designed and manufactured, 1962 has also spent money on having labels designed to use in these garments. Mr Lees provides details of artwork commissioned from Weavabel Ltd in Leeds for Bentley branded labels including swing tags, and size labels. A number of invoices were received totalling £6,609 during the period May - June 2013. He also provides evidence (exhibit CRL 29) of discussions with Edinburgh Woollen Mill between December 2013 and March 2014 which resulted in an offer to buy the Bentley brand for £500,000. This offer was refused. Mr Lees states that during November and December 2014 his company provided Bentley clothing to Baldwin's stores in Ipswich, Stowmarket and Dovercourt. Invoices for these garments were issued in January to March 2015 and total £2,873.85. The goods include fleece jackets, hooded tops, sweatshirts, t-shirts and scarves. Exhibits CRL 30 and 31 refer.

14) Mr Lees states that discussions have also taken place with, inter alia, Total Cricket Ltd, BHS, Whispering Smith Ltd, The Hut Group, GSI Commerce International, Genie & the Geek, Associated Independent Stores Ltd, Brand Partners UK Ltd, Dewhirst Group Ltd, Dishang Cherry (Europe) regarding the provision of a range of Bentley branded clothing either for them to retail, wholesale or supply. He provides copies of emails at exhibit CRL 37-50. Mr Lees maintains that throughout 1962 has sought to protect its rights by ensuring that, for example, sellers on eBay and Amazon were removed if they infringed upon the rights of 1962. Exhibit CRL 21 refers. He provides the following exhibits:

- CRL 3: A copy of an agreement between 1962 and Brandlogic Ltd, dated December 2010, which Mr Lees confirms relates to all the marks in the instant case and which appoints Brandlogic Ltd to manage and develop the Bentley marks.
- CRL 6: Photographs of various items of clothing which are undated. It was contended that the photograph can be dated by reference to the order for signs ordered in March

2009 (exhibit CRL 56). However it is possible that the sign shown in the photograph was ordered some time prior to March 2009 and therefore prior to the relevant period. Also the garment referred to on the rail appears to have a neck label with the word "BENTLEY" upon it, although this is not particularly easy to make out. It is not possible in the copy of the photograph supplied to state that the label is the "lozenge" label 1180215.

- CRL 7: Copies of weekly sales reports from the Co-op in Mansfield dated 12 & 19 December 2009. They total £4,386 and refer to the sale of 198 items. They refer to sales of caps, sweaters, cardigans, scarves, jackets, gilets, beanies and waistcoats. The sales slips refer to sales of "BENTLEY" goods.
- CRL 8: Examples of remittance analysis and "pay on sales invoices" from BMB Clothing Ltd to Brandlogic Ltd. The pay on sales invoice shows the total gross sales value of Bentley branded clothing sold that week. These documents are dated between 28 March 2009 and 27 March 2010. However, the garments are only referred to by number codes and there is no explanation as to which garments the numbers refer, with the following exceptions: caps (pages 139 & 141), gloves (page 143), scarves (page 143) and jumper (page 147).
- CRL 9: Weekly sales reports regarding BENTLEY branded garments from Co-op and Vergo stores in Tamworth, Colchester and Clacton during the period 21.03.09 – 01.04.10. The reports all refer to BENTLEY branded clothing. However, the reports show code numbers which are not decoded, and also the total sales.
- CRL 10: A copy of a promotional leaflet, dated 2009/10, for Oswaldtwistle Mills retail outlet which states that it has a Bentley concession.
- CRL 11: A copy of a promotional leaflet which shows the Autumn/Winter 2009 range of Bentley garments. It refers to BENTLEY hats, scarves, caps and gloves.
- CRL 12: An invoice to Chums Ltd dated 27 August 2010 relating to a balance payment from the sale in March 2010 of £4,550. It refers to the total purchase price of £30,550. The goods are not specified and referred to simply as BENTLEY goods.

- CRL 14: Photographs of various garments, only one of which (page 197) is dated (13 March 2015). However, this was when the photograph was taken. It shows a shirt with the mark registered under 2177779B in the neck. Mr Lees states that these goods were produced as samples in 2011. The other garments shown in the photographs include sweaters, pullovers, T-shirts, hooded tops, and Rugby shirts all of which have the mark BENTLEY upon them. See also comments in paragraph 26 below, as these last goods are now claimed to have been manufactured in 2013.
- CRL 15: A photograph of a polo shirt and caps which have the BENTLEY mark upon them and also the swing tag. The photograph is dated 5 November 2012. These are said to be samples being developed by 1962.
- CRL 16: Photographs of shirts and shorts which have the “belt mark” (as registered under 1379187 & 2177779B) upon them. These are dated 13 August 2012.
- CRL 17: Photographs of garments and labels created for 1962 by Paul Cartwright Branding UK LLP in 2012. In addition to the BENTLEY mark it also shows use of UK marks 1379187 & 2177779B on the front of a T-shirt (page 222). Also provided are copies of invoices for this work dated from March to December 2012 which total £2229.60.
- CRL 18: A copy of an article from the UK Fashion and Textile Association website, dated 29 October 2012, which states that 1962 is seeking manufacturers to work with it in producing garments in the UK under the BENTLEY mark.
- CRL 19: Copies of invoices dated April 2014- February 2015 relating to T-shirt, design, production of sample and photographs of same and also a new website.
- CRL20: Various pages from Facebook which appear to be dated 2015. It is not clear to whom these were sent or who if anyone actually read them. It does show, inter alia, trade mark 2177779B. It seems to be more of a running commentary on various sporting activities such as Wimbledon, The Ashes and football tournaments rather than

advertising products. Although certain pages were specifically referred to as showing use by 1962 at the hearing, I note that the pages in question (257, 259 and 278) do not give details of particular items of clothing, prices or where they can be purchased.

- CRL 23: A copy of an invoice, dated 29 July 2013, from Tips and Trends totalling €466, and relating to the provision of samples of hoodies, sweaters, T-shirts, polo shirts, chinos, with the word BENTLEY upon them.
- CRL 24: Copies of emails with Chilli Ltd in 2013 regarding a licence for them to manufacture and sell BENTLEY clothing. It is clear that the fear of being sued by BM for infringement caused the deal to collapse.
- CRL 25: A copy of the licence that was prepared for Chilli Ltd. It lists the garments that would have been covered and includes headwear, footwear and a large variety of clothing.
- CRL 26: Copies of designs created by I-Text (UK) showing various proposals for use of a variety of BENTLEY marks on garments such as T-shirts, polo and rugby shirts, hoodies, jumpers, sweatshirts, socks, hats, jackets, and shorts. Although the only item dated is an invoice from October 2014, the designs show markings referring to Autumn/Winter 2014 or Spring/Summer 2015. There are also examples of the “lozenge” marks (2177779A & 1180215) on hooded tops, knitwear, sweatshirts, jackets, coats and shirts. This use is on what is referred to as a “pleather badge” which appears to be a small brown leather type badge in the shape of the lozenge with the word “BENTLEY” printed upon it.
- CRL 27 Copies of artwork produced relating to labels using the word BENTLEY and variations of it including the letter “B”. Eight invoices relating to the provision of the artwork dated May and June 2013 are also provided.
- CRL 29: Copies of emails with Edinburgh Woollen Mill regarding the purchase of the Bentley trade marks.

- CRL 30: Copies of three invoices dated 30 January 2015, 28 February 2015 and 5 March 2015, all addressed to Baldwins Department Store in Harwich. Only the February invoice identifies the garments provided. This invoice lists fleece jackets, hooded tops, sweatshirts, T-shirts and scarves and amounts to £2,320.
- CRL 31: Copies of pages from the website of Baldwins Dept Stores. These show that the stores stock Bentley Menswear and it also shows a picture of a fleece jacket under the BENTLEY label.
- CRL 32 & 33: Photographs of garments such as sweatshirts, polo shirts, T-shirts, trousers, knitwear and rugby shirts with swing tags and neck labels showing the name BENTLEY. They are undated but are said to be from 2014. These show use of the word BENTLEY and a variety of unregistered marks none of which are close to the other registered marks. These unregistered marks appear to be those shown in exhibits 17 and 27.
- CRL 34: Copies of emails opening discussions regarding Visage Group stocking the Bentley range, dated October 2014.
- CRL 36: Undated photographs which show a range of garments such as T-shirts, jackets, sweatshirts, which are said to have been taken for the 2015 range. They are clearly from the same photographic shoot which included the photograph shown on the Baldwin's website see CRL 31 above. They also include designs shown at exhibits 19 (December 2014) and 17 (February 2015).
- CRL 37 – 50 inclusive : Copies of correspondence with a variety of potential stockists/retailers dated February 2015, August 2012, April 2012, February 2012, March 2012, March 2015, and March 2012, as well as wholesalers in August 2013, and potential suppliers in November 2011, May 2012, March 2013, January 2013, April 2013 and October 2011. In all cases the discussion centred mainly around BENTLEY or BENTLEY 1962 marks, although other variations were mentioned.”