

O-215-08

**TRADE MARKS ACT 1994**

**IN THE MATTER OF REGISTRATION NO 2434903  
IN THE NAME OF STUART LEE CRANE  
IN RESPECT OF THE FOLLOWING TRADE MARK IN CLASS 41:**



**AND**

**AN APPLICATION FOR A DECLARATION OF INVALIDITY THERETO  
UNDER NO 82885  
BY KEVIN KENNETH BOWERBANK**

## TRADE MARKS ACT 1994

**IN THE MATTER OF Registration 2434903  
in the name of Stuart Lee Crane  
in respect of the following trade mark in Class 41:**



**and**

**an application for a declaration of invalidity thereto  
under no 82855  
by Kevin Kenneth Bowerbank**

### **BACKGROUND**

1. Mr Stuart Lee Crane (“SC”) is the proprietor of the above trade mark. He applied for the trade mark on 9 October 2006, its registration procedure was completed on 18 May 2007. The trade mark is registered for the service of driving instruction.
2. On 31 May 2007, Mr Kevin Kenneth Bowerbank (“KB”) applied for the above registration to be declared invalid. KB’s amended claim is that he has been trading as *Revolution Driving School* since 2004 and that SC’s use of the registered trade mark is liable to be prevented by virtue of the law of passing-off. SC denies this.
3. Both SC and KB filed evidence; this is summarised below. Neither of them requested a hearing or filed written submissions. However, both have made observations on the merits of the dispute in their evidence and in their initial statements; these observations will be taken into account when I reach my decision.

### **EVIDENCE**

#### **Applicant’s evidence**

4. The evidence is in the form of a witness statement and accompanying exhibits from KB. He firstly sets out some of the dates relevant to the proceedings such as when he applied for his declaration of invalidity and the dates on which SC’s trade mark was filed and registered. He also states that SC contacted him on 22 May 2007 demanding that he cease using his logo because it shared similarities with his registered trade mark. KB says that SC claimed to have had no knowledge of KB’s business prior to 22 May 2007 which was the date on which SC received official notification that his trade mark had been registered.

5. KB states that at the time of writing (his evidence was given on 19 December 2007) he runs a successful business known as *Revolution Driving School* which contracts no less than four driving instructors. To support his case he refers to a number of exhibits in his evidence which contain facts relevant to his claim. These are:

- a. An invoice from *Amen* to Natalie Bowerbank relating to the registration of the domain name “revolutiondrivingschool.co.uk”. The invoice is dated 28 October 2005.
- b. An e-mail from an employee of *Yell* to Natalie Bowerbank confirming that a particular advertisement was processed by *Yell* on 27 January 2006 (KB refers to January 2005 but I take this to be a typographical error) and printed in March 2006. The *Yell* employee also states that this logo has been in use for this customer since the end 2005/beginning of 2006.
- c. A copy of an advertisement which KB states is the one processed by *Yell* on 27 January 2006. The advertisement is shown below:



- d. An undated letter to KB from Mr Andrew Stallard, the Managing Director of *KTAK* (a company who appear to assist in setting up networks and web-sites). Mr Stallard confirms in this letter that he received instruction from KB to register the domain name (referred to above) on or about 10 October 2005. That we (*KTAK*) received a copy of KB's logo on or around the same date. That he (Mr Stallard) was personally aware of the business and logo several months before commencing the web-site works. Mr Stallard also refers to an exchange of e-mail that he had with SC, he confirms that at no point did *KTAK* claim to have created KB's logo. The exchange of e-mails can be summarised thus:
  - i. An e-mail from SC to *KTAK* (dated 24 May 2007) making a general enquiry about the ownership of copyright in web-sites created by *KTAK*. The questions are whether ownership would be shared and whether the year detailed in the copyright statement on a web-site relates to the year of creation or when the web-site was updated?
  - ii. *KTAK's* (Mr Stallard's) response is dated 25 May 2007. He states that copyright is owned by the author or creator of the content and that the copyright statement is updated every time the web-site is updated.

6. KB completes his evidence by stating that the information he has provided proves that his business was established and operational almost 2 years prior to SC's trade mark application. KB finds it difficult to believe that SC was not aware of his business given the level of national and local advertising carried out. He states that the searches carried out by SC which failed to identify his business are not his responsibility. KB finds it surprising that SC was able to identify the possible conflict with his business on the very day he received written notification that his trade mark had been granted; he infers that SC must have had prior knowledge of his business.

#### **Registered proprietor's evidence**

7. The evidence is in the form of a witness statement and accompanying exhibits from SC. He states that he has been working as a driving instructor since 2005 firstly with the *AA Driving School* and then as part of his own business (*Revolutions school of motoring*) which he started in 2006. SC refers to a certificate of registration of his business name (Exhibit RSM1). The certificate shows that the business name *Revolutions School of Motoring*, was established in 2006 (no specific date is given) and that its registration is valid until 13 June 2008.

8. SC refers to his trade mark registration and the dates on which he applied for it and when it was placed on the register; a copy of his registration certificate is provided in Exhibit RSM2. He states that as part of the registration process of his trade mark, a search was carried out on his behalf which did not reveal any conflict with KB's business.

9. SC states that on 22 May 2007, whilst checking his own advertisement on *Yell.com*, he came across a free listing for KB's business. He states that he called KB's business number to see if he was still trading. He states that during this call he made KB aware of his trade mark registration but placed no demands upon him. SC states that within minutes of the end of this call, KB's father made an aggressive and intimidating return call to his mobile phone. The speed of this return call, and the fact that it was made to his mobile telephone rather than his home telephone, makes SC believe that KB and his father were fully aware of him before this initial contact. Exhibits RSM3 and RSM4 show the dates and times of what SC says are these calls. He also exhibits at RSM5 a copy of the envelope in which his trade mark registration certificate arrived. The date of posting stamp is 23 May 2007. This, he says, proves that the telephone calls referred to (which took place on 22 May) could not have taken place on the day that his registration certificate arrived.

10. SC highlights that KB makes reference to both sections 47(2)(b) and section 47(1) of the Act but that the UK Intellectual Property ("UK-IPO") have confirmed that the case is to proceed under section 5(4)(a) of the Act. Exhibit RSM5 contains a copy of the letter from the UK-IPO in which this was stated.

11. In relation to KB's business, SC states his belief that KB only became established as a driving instructor in the area of Broadstairs Kent in the latter part of 2006. As evidence of this, he refers to Exhibit RSM7 which consists of information from a web-site relating to KB's council tax banding. The document states that the banding for KB's property (the address in Broadstairs given when KB made his application) became effective on 12 August 2006. Also, in Exhibit RSM8, there is an e-mail from the developers responsible for building KB's property to the effect that the houses on the development were completed during the course of 2006-2007.

12. SC provides evidence in Exhibit RSM8 to show that his address is 81 miles away from the address of KB. This evidence is in the form of a route planner from the *RAC*. SC states that his business has never been mistaken for KB's business and that KB has not identified any examples of confusion.

13. SC then refers to KB's claim to employ no less than four driving instructors. He states that this must be a recent initiative because information on KB's web-site does not mention any other drivers (Exhibit RSM10). He also states that if the additional drivers are a recent introduction then this does not equate to a business that is being damaged.

14. SC completes his evidence by referring to KB's comments relating to the failure of searches to pick up his business as not being KB's responsibility. He contrasts this to KB's reluctance to register his business through the relevant channels. He refers to exhibit RSM11 which shows KB's domain name registration in which KB's details have been omitted.

15. Before dealing with the substance of the case, I must comment on some of the evidence filed. Some of it (KB's evidence from *Yell* and *KTAK* and SC's evidence from

the property developer) appear to have been solicited for the proceedings. This brings into question the weight that I should accord to it because the persons making the statements have not confirmed its truth and accuracy and, because they have not filed formal evidence, their statements are incapable of scrutiny via cross examination. However, I note that neither party has challenged the information contained in the statements and that the majority of the information is of a simple factual nature. Therefore, I will consider this evidence and give it some weight in my considerations.

## **DECISION**

### **The legislation**

16. The case has proceeded to final determination on the basis of section 5(4)(a), with such a ground being relevant in invalidation proceedings in view of the provisions of section 47(2)(b) of the Act. As SC states, the claim under section 47(1) (and section 3(3)(b)) was struck out by the UK-IPO as not being appropriate in the circumstances of the case. Before setting out the relevant legislation, I note that in his statement of case, KB refers to his logo as being covered by international copyright law and that it was designed by an independent graphic designer. I can take this only as background information relevant to the section 5(4(a)) ground relating to the law of passing-off. Whilst use that could be prevented under the law of copyright can be taken into account in an invalidation case, this would have needed to have been pleaded under section 47(2)(b) and section 5(4)(b) of the Act; no such pleading has been made.

17. The application for invalidation is made under the provisions of section 47(2)(b) of the Act. This reads:

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

(a) .....

(b) that there is an earlier right in relation to which the conditions 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.”

18. The right identified is under section 5(4)(a) of the Act. This 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

(b) .....

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

### **Passing-off**

19. The necessary elements that need to be present for a successful finding under this ground are: 1) goodwill, 2) misrepresentation and 3) damage. This is clear from two decisions of the House of Lords: *Erven Warnick BV v J Townshend & Sons (Hull) Ltd* [1980] R.P.C. 31 and *Reckitt & Colman Products Ltd v Borden Inc* [1990] R.P.C. 341. Lord Oliver summarised the position quite succinctly in the latter of these cases when he stated at page 406:

“The law of passing off can be summarised in one short general proposition--no man may pass off his goods as those of another. More specifically, it may be expressed in terms of the elements which the plaintiff in such an action has to prove in order to succeed. These are three in number. First he must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying 'get-up' (whether it consists simply of a brand name or trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff's goods or services. Secondly, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by him are the goods or services of the plaintiff. ... Thirdly he must demonstrate that he suffers, or in a *quia timet* action that he is likely to suffer, damage by reason of the erroneous belief engendered by the defendant's misrepresentation that the source of the defendant's goods or services is the same as the source of those offered by the plaintiff.”

### **The material date**

20. I must determine the date at which KB’s claim must be judged. This is known as the “material date”. A number of cases<sup>1</sup> have established that the material date is the date on which behaviour (in this case SC’s behaviour) is complained of. I also bear in mind that section 5(4)(a) is derived from article 4(4)(b) of First Council Directive 89/104 which states:

“(b) rights to a non-registered trade mark or to another sign used in the course of trade were acquired prior to the date of application for registration of the subsequent trade mark, or the date of the priority claimed for the application for registration of the subsequent trade mark and that non-registered trade mark or other sign confers on its proprietor the right to prohibit the use of a subsequent mark;”

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<sup>1</sup> *Cadbury Schweppes Pty Ltd v Pub Squash Co Pty Ltd* [1981] R.P.C. 429 and *Inter Lotto (UK) Ltd v Camelot Group PLC* [2004] R.P.C. 8 and 9

21. On the basis of the above, the date complained of can be no later than the date on which SC applied for his trade mark. It can however be from before the date of application if there is such a complaint from KB together with appropriate evidence; there is neither. The behaviour complained of must therefore be the date of SC's application for registration. **Therefore, the material date against which KB's case will be judged is 9 October 2006.**

## Goodwill

22. The starting point is to consider whether KB possessed a goodwill at the material date. The concept of goodwill was explained in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 at 223 as follows:

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first.”

23. Although the above statement comes from an old case, it was utilised by the Court of Appeal in *Phones 4u Ltd v Phone4u.co.uk Internet Ltd*, [2007] R.P.C. 5, so it still holds true today. I also note from the relevant case-law that to qualify for protection under the tort, the goodwill must be of more than a trivial nature<sup>2</sup>.

24. KB claims that he has been trading as *Revolution Driving School* since 2004. He also states in evidence that his business was established and operational almost two years before SC applied for his trade mark. However, KB's evidence does not support this. Instead, the evidence points towards the business being set up in October 2005. This can be seen from the invoice relating to the domain name registration and the information from *KTAK* regarding KB's web-site. This is also consistent with the information from *Yell* because the *Yell* employee states that the logo used as part of the advertisement printed in March 2006 was used since the end 2005/beginning of 2006. It is of course possible that KB was, prior to October 2005, operating a business without a domain name/web-site and without the *Yell* advertising, however, there is no proof of this. Given the material date, I am left to consider whether goodwill was generated in the period October 2005 to 9 October 2006.

25. Goodwill is associated with custom. However, KB's evidence fails to identify any custom or trading activity at all. No turnover figures or company accounts are provided. No statistics regarding the number of drivers that have taken driving lessons with his business have been provided. The only evidence is that a domain name was registered and a corresponding web-site set up and that advertisements have been placed with *Yell*. None of this guarantees that custom has been generated. This is undoubtedly true with regard to the domain name and web-site. I say this because a web-site can only bring in custom through access, but, no information regarding access to KB's web-site has been provided.

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<sup>2</sup> *Hart v Relentless Records* [2002] EWHC 1984

26. It could be argued that custom can be inferred through advertising or that the advertising itself may create goodwill. However, I can only assess this against the success of the advertising. The evidence does not explain the frequency of advertising, indeed, all I have to go on is that an advertisement was published in March 2006 by *Yell* and that the logo used as part of this advertisement was used (presumably in another advertisement) since the end of 2005/beginning 2006. The most I can reasonably infer from this is that perhaps one other advertisement was placed. More questions, however, arise. Is the advertising print or internet based? What was its duration? What was its geographical scope? What was its impact (in terms of dominance) relative to other advertisements? Was the advertisement listed by reference to the business category (driving instruction) or on the basis of the business name itself (in alphabetical order)? If on the basis of the business category, how many competing advertisements from other businesses were placed? There are certainly more questions than answers.

27. On goodwill, SC highlights that KB may have only been resident in Broadstairs since the latter part of 2006. He provides evidence relating to council tax banding and the time of construction of KB's current property. This, in itself, tells me nothing significant because KB has not specifically claimed that his goodwill exists in or around Broadstairs. Indeed, KB is a little vague in relation to the geographical area in which his claimed goodwill exists. KB used the address in Broadstairs when making his application for a declaration of invalidity and I note that on the invoice from *Amen* to Natalie Bowerbank (relating to the domain name registration) the Broadstairs address is used (this was dated 28 October 2005). However, on the advertisement provided in KB's evidence an address in Romford is given. I am left in the position of simply not knowing where KB's service was being offered on which dates, this re-enforces the lack of information in relation to the business itself. It is also an important consideration because if KB's business did move from Romford to Broadstairs at some point in 2006 then any goodwill which the business may have generated in Romford is unlikely, given the local nature of driving instruction, to still exist following the move.

28. SC also highlights that there is no evidence to support KB's claim that he employs at least 4 driving instructors. Whilst I agree with this point, it should be noted that KB did not actually claim to have this number of employees at the material date - he clearly states that he was making this claim at the time of giving his evidence. Nevertheless, it is true that the information about his number of employees has no bearing given that there is no evidence that this was the position on or before the material date.

29. Taking all the above factors into consideration, I am left with the view that KB has not established that he had a protectable goodwill at the material date. The reservations and question marks highlighted above form the basis for this finding, put simply, there is no evidence of actual custom and I can infer little from the setting up of the web-site and the placing of the *Yell* advertisement. **Without a finding in his favour on goodwill, KB cannot succeed; his application for a declaration of invalidity therefore fails.**

30. In case of appeal, I will make some brief observations on the other factors outlined in evidence. Firstly, in relation to the telephone conversations to which both sides refer, my

view is that they have little relevance. They tell me nothing about whether or not KB's business had a goodwill and whether passing-off has occurred. SC also refers to the distance between where he and KB operate. This is not relevant for two reasons. Firstly, the distance between the two service addresses provided as part of these proceedings tells me little about the actual geographical areas in which the respective businesses may operate (particularly given my comments in relation to KB's business in paragraph 27 above). Secondly, and more importantly, even if I accepted that the businesses were operated in different localities, SC's trade mark is a national registration and is not limited in anyway to the geographical area of his current trade. I must therefore envisage a notional use of SC's mark which must include use directly within KB's locality. These points also deal with SC's observation about lack of actual confusion.

31. SC also highlights that the searches undertaken on his behalf failed to reveal KB's business. This, again, has little relevance. The search undertaken by the UK-IPO would not have included a search for common law rights and the same is likely to apply in relation to the national business name registration. KB is not obliged to register with these authorities.

32. If KB had established a goodwill then I am of the view that the proximity of the signs would undoubtedly have led to misrepresentation which, in turn, would have led to diversion of trade and consequent damage. Nevertheless, goodwill has not been established and **the application for a declaration for invalidation must, therefore, fail.**

## CONCLUSION

33. The ground of invalidation fails. KB's application is rejected.

## COSTS

34. SC has been successful and is entitled to a contribution towards his costs. I hereby order Mr Bowerbank to pay Mr Crane the sum of £600.

Considering KB's application for invalidation	£150
Filing counterstatement in response	£200
Preparing and filing evidence	£150
Considering KB's evidence	£100
<b>Total</b>	<b>£600</b>

35. It should be noted that when calculating the above costs, I have taken into account the fact that SC has not been legally represented and the guidance given by the Appointed Person on the relevance of this factor<sup>3</sup>.

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<sup>3</sup> See the decisions of Mr Simon Thorley QC in *Adrenalin* (BL 0/040/02) and Mr Arnold QC in *South Beck* (BL O/160/08).

36. The above sum should be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 29<sup>th</sup> day of July 2008**

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