

O-232-09

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION 2462176  
IN THE NAME OF AMERICAN AUTO EXCHANGE, INC.  
FOR THE MARK:**

**AAX**

**IN CLASSES 9, 35 & 42**

**AND**

**IN THE MATTER OF OPPOSITION NO 96190  
BY GA MODEFINE S.A.**

## **TRADE MARKS ACT 1994**

**IN THE MATTER OF Application 2462176  
In the name of American Auto Exchange, Inc.  
For the mark AAX in classes 9, 35 & 42**

**and**

**IN THE MATTER OF Opposition No 96190  
By GA Modefine S.A.**

### **Background**

1. American Auto Exchange, Inc. ("Auto") applied for the above trade mark on 24 July 2007. Registration is sought for the following goods and services:

Class 09: Software for managing vehicle inventory for new and used vehicles, software for managing vehicle appraisals; software for valuing used vehicles and vehicle inventories; software for managing vehicle auction information and wholesale vehicle purchasing and sales; software for determining and maintaining the optimum inventory for automobile dealerships; customer relationship management software; software for sales processing and financing of new and used vehicles; advertising and marketing software; software for generating vehicle window stickers and buyers guides; software for generating reports related to the foregoing.

Class 35: Advertising, marketing, consulting and promotion services; facilitating wholesale vehicle auction sales; vehicle auction and inventory management services provided to others over an online web site accessed through a global computer network; business consulting, training and information services.

Class 42: Providing temporary use of non-downloadable computer software for managing automobile dealership inventory, facilitating wholesale automobile sales and acquisitions, determining and maintaining the optimum inventory for automobile dealerships, managing vehicle appraisals, valuing used vehicles and vehicle inventories, managing automobile dealership customer information, sales processing and financing of new and used vehicles, advertising and marketing of automobile dealerships and new and used vehicles, generating vehicle window stickers and buyers guides, and generating reports related to the foregoing

2. Opposition to the registration of Auto's trade mark was made on 11 February 2008 by GA Modefine S.A. ("Modefine"). Both sides filed evidence, a summary of

which I will provide shortly. Neither side asked for a hearing, both opting, instead, to file written submissions.

### **The pleaded case**

3. The case was pleaded on the basis of section 56 of the Trade Marks Act 1994 (“the Act”), Modefine relying on what it considers to be its well-known trade mark A/X ARMANI EXCHANGE. Section 56 reads:

“56. - (1) References in this Act to a trade mark which is entitled to protection under the Paris Convention or the WTO agreement as a well known trade mark are to a mark which is well-known in the United Kingdom as being the mark of a person who-

(a) is a national of a Convention country, or

(b) is domiciled in, or has a real and effective industrial or commercial establishment in, a Convention country,

whether or not that person carries on business, or has any goodwill, in the United Kingdom.

References to the proprietor of such a mark shall be construed accordingly.

2) The proprietor of a trade mark which is entitled to protection under the Paris Convention or the WTO agreement as a well known trade mark is entitled to restrain by injunction the use in the United Kingdom of a trade mark which, or the essential part of which, is identical or similar to his mark, in relation to identical or similar goods or services, where the use is likely to cause confusion.

This right is subject to section 48 (effect of acquiescence by proprietor of earlier trade mark).

3) Nothing in subsection (2) affects the continuation of any *bona fide* use of a trade mark begun before the commencement of this section.”

4. When Modefine submitted its opposition, section 56 of the Act was an option on Form TM7 (the notice of opposition) as an “other ground of opposition”. Modefine duly selected this option and provided some details about its claim. However, since then, Mr Hobbs QC (sitting as the Appointed Person) has expressed concern that section 56 is not a self-standing ground of opposition (see his decision in *FIANNA FAIL/FINE GAEL* BL O-043-08). This stems from the fact that section 56(1) merely defines what a well-known mark is for the purposes of the Act and section 56(2) provides a provision for possible injunctive relief in

the UK for the benefit of a proprietor of a well-known trade mark. In view of all this, I wrote to Modefine in order to clarify what grounds of refusal it was relying on. The reply from Modefine stated:

“It is our Client’s contention that Section 5(4) of the Trade Marks Act 1994 (“the Act”) is applicable in this case.

Section 5(4)(a) states that a trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented under any rule of law....protecting an unregistered trade mark or other sign used in the course of trade.

Section 56(2) of the Act sets out a rule of law that “[t]he proprietor of a trade mark which is entitled to protection under the Paris Convention or the WTO agreement as a well known trade mark which, or the essential part of which, is identical or similar to his mark, in relation to indential or similar goods or services, where the use is likely to cause confusion”

5. Further comments were made in relation to dissimilar goods and services and the relevance of these given Article 16 of TRIPS<sup>1</sup>; I will come back to this point. Section 5(4)(a) reads:

“Section 5(4)(a) of the Act reads:

“A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented –

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

(b) .....

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

6. Although an unusual pleading, I indicated to the parties that the case could proceed on this basis. No objection was received from Auto. Section 5(4)(a) is a ground for refusal, it provides for refusal based on any rule of law (not just the law of passing-off) that could have the effect of preventing the use of the applied for mark, so long as that rule of law is one which protects an unregistered trade mark or other sign used in the course of trade. I came to the view that the pleading should be allowed because:

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<sup>1</sup> The Agreement on Trade-Related Aspects of Intellectual Property Rights

- 1) Section 56(2) is clearly a rule of law;
- 2) Section 56(2) provides for restraint through injunction (if the criteria for protection exists) and, therefore, may have the effect of preventing the use of the applied for mark;
- 3) A well-known mark can be classed as “an unregistered trade mark or other sign”. Modefine do not appear to have a registration<sup>2</sup> covering the UK and, thus, it constitutes an unregistered mark or other sign.
- 4) Modefine has claimed that its mark is used in the course of trade.

7. The question I must determine, therefore, is whether Modefine would be able to restrain by injunction (under the provisions of section 56(2)) the use by Auto of its trade mark in the UK in relation to the goods and services it seeks to register.

### **Modefine’s evidence**

8. The evidence is in the form of a joint affidavit from Steffano Bolla and Rocco Bonzanigo, both of whom are members of the board of directors of Modefine. The following facts emerge from the evidence:

- The mark A/X ARMANIN EXCHANGE was first used in 1991 in the US with such use subsequently expanding to other countries (Canada, Japan, China, Taiwan, Hong Kong, Singapore, Australia, Mexico, Venuezula, Brazil, Argentina, United Arab Emirates, Saudi Arabia, Lebanon, Korea, Thailand, Malaysia, Philippines, and Indonesia). Expansion into the UK has also occurred with the first shop opening in Kent on 10 December 2005.
- Shops in the above territories are shown in SBRB1. No details are provided about its UK shops.
- A range of men’s and women’s clothing (and sunglasses) appear to be supplied. Exhibit SBRB2 shows extracts from the A/X ARMANI EXCHANGE website (the UK part of the website) showing this. It is not clear whether goods can be purchased directly from the website. The sign is used on the website to indicate the retailer, but, I note that no third party trade marks are used in relation to the clothing so the sign will also be taken as a reference to the trade origin of the goods themselves.
- Global advertising and promotional figures range from \$5.5million to \$11.8million per year (figures are provided from 2000-2007). In relation to the UK, the figures are 2005: \$5,903; 2006 \$71,073; 2007<sup>3</sup> \$32,796.

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<sup>2</sup> At least not one that predates the application being opposed

<sup>3</sup> First six months

- Advertising has taken place in magazines, but the only examples filed in evidence come from the US, Canada, Korea, Mexico, Australia & Japan (see exhibit SBRB4). No reference is made to any UK magazine advertising.
- Global sales figures for goods sold under the mark range from \$171million to \$348million per year (figures are provided from 2000-2007). In relation to the UK, the figures are: 2005 \$590,280; 2006 \$7million; 2007<sup>4</sup> US\$17million.
- From the exhibits (website use and overseas magazine advertising) the mark is often presented in a manner in which the A/X element is given greater prominence.

### **Auto's evidence**

9. The evidence is given by Jose A Santos, Jr. who is the Vice President and General Counsel of JM Dealer Services, Inc., the parent company of Auto. His evidence details the background to the goods and services it offers, namely, goods and services for automobile dealers to assist with the inventory of vehicles, to price vehicles, to monitor sales trends in the automotive industry, and to advertise vehicles online. He states that none of this relates to Modefine's goods with the parties targeting wholly different consumers.

### **Is Modefine's mark well-known?**

10. Modefine is established under the laws of Switzerland, a Paris Convention country, so the well-known mark provisions are available to it. Having established that, the first and most critical issue I must deal with is whether Modefine is the proprietor of a trade mark which is entitled to protection under the Paris convention or the WTO<sup>5</sup> agreement as a well-known trade mark? Whether a mark is well-known falls to be assessed on whether it is well-known throughout the UK or in a substantial part of it<sup>6</sup>. In terms of being well-known, in *Le Mans* (BL O-012-05) Mr Richard Arnold QC, after thoroughly reviewing the relevant jurisprudence, adopted the criteria outlined in Article 2 of a joint recommendation (dated September 1999) from the Assembly of the Paris Union for the Protection of Intellectual Property and the General Assembly of the World Intellectual Property Organisation (WIPO). The criteria reads:

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<sup>4</sup> Again, for the first six months

<sup>5</sup> The World Trade Organization

<sup>6</sup> See the judgment of the European Court of Justice ("ECJ") in C-328/06, *Alfredo Nieto Nuno v. Leonci Monlleo Franquet*

- “1. the degree of knowledge or recognition of the mark in the relevant sector of the public;
2. the duration, extent and geographical area of any use of the mark;
3. the duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation, at fairs or exhibitions, of the goods and/or services to which the mark applies;
4. the duration and geographical area of any registration, and/or any applications for registration, of the mark, to the extent that they reflect use or recognition of the mark;
5. the record of successful enforcement of rights in the mark, in particular, the extent to which the mark was recognized as well known by competent authorities;
6. the value associated with the mark.”

11. In *FIANNA FAIL/FINE GAEL*, Mr Hobbs QC, when commenting on Mr Arnold QC's decision and the criteria he utilised stated:

“It is clear from the analysis he provides that this is from beginning to end a question of fact and degree”

12. I also note that Mr Arnold QC (but by now Mr Justice Arnold given his promotion to the High Court) also utilised the six criteria set out above in his judgment in *Hotel Cipriani SRL, Hotelapa Investimento Hoteleiro SA, Island Hotel (Madeira) Limited v. Cipriani (Grosvenor Street) Limited, Giuseppe Cipriani, Cipriani International SA* [2008] EWHC 3032 (Ch).

13. In terms of assessment, I must make this with reference to the relevant sector of the public. Modefine's use concerns the provision, essentially, of articles of clothing. The articles of clothing are not specialist in any way. In view of this, the relevant sector of the public must be assessed as being the general public.

14. Modefine face a number of problems in assessment against the criteria set out above. Although advertising/promotional spend is provided, the figures, on the face of it, do not seem particularly significant in the UK. No information is provided as to the manner in which advertising/promotion has occurred (no examples of UK advertising material have been provided), it is therefore not possible to analyse what impact, if any, the advertising would have had on the relevant sector of the public. The duration of use is not long; prior to the relevant date there is just over 18 months of use. There is no evidence as to the geographical extent of any use. Whilst the evidence informs me that the first shop in the UK was opened in Kent, there is no information regarding other shops in

the UK. I note from its submissions that Modefine say that it has six shops in the UK, but this fact is not in evidence. In any event, no information is provided as to when these shops opened (they may be more recent openings), it is not, therefore, possible to assess the impact that they would have had on the knowledge of the relevant public. On the face of it, even six shops does not seem a great number, particularly in the absence of any significant advertising and promotion.

15. There is no evidence as to a record of successful enforcement of rights, there is no evidence as to the value associated with the mark, there is no evidence relating to the degree of knowledge or recognition (such as opinion polls or public surveys etc.). Whilst the global sales and advertising expenditure seem impressive, and the advertising expenditure is supported by examples of magazine advertising (including advertising in some magazines which appear to be well-known, e.g. Vogue) there is no evidence to support the proposition that this global (outside of the UK) use will be known to the relevant public in the UK. Whilst the evidence shows a website relating to the mark and that this has a UK element to it, no information is provided as to the degree to which this is accessed. None of the factors assessed so far are pointing towards a mark that is well-known in the UK or in a substantial part of it.

16. There are, though, sales in the UK to consider. These sales cannot be described as insignificant equating to just under \$25million since the expansion into the UK. However, there is no evidence as to the average sale price of items being sold, or how many sales this equates to, or how many customers it has. The goods could be high end designer goods in which case the sales figures may not represent as significant a number of sales (and customers) as they would if the goods were sold at average or low end prices. Ambiguity cannot assist Modefine as it is it that has the onus of demonstrating that its mark is well-known. Furthermore, none of these sales figures are contextualized against the UK market. Not only is there an absence of specific market share information, but the lack of market size information means that it is difficult to assess the real significance of the sales. I am not in the habit of guessing the size of a relevant market, but if I had to, it strikes me that the UK market for clothing is an extremely substantial one so the sales figures set out may not be that significant.

17. In its submissions, Modefine highlights its evidence (as well as trying to introduce further facts) and suggests that it demonstrates the existence of a trade mark that has “become well-known, or even famous, in the relevant sector of the public in the UK”. Auto, on the other hand, submit that the evidence falls well short of that required. Taking all of the evidence into account, I am left with the view that whilst the mark will be known to some members of the relevant public in the UK (those who have shopped at Modefine’s establishment(s) for example), I cannot find that this equates to the mark being well-known throughout the UK or in a substantial part of it. **Modefine cannot succeed without a well-known mark, the opposition must, therefore, fail.**

18. The above finding disposes of the opposition, however, in case I am found to be wrong on my assessment of Modefine’s mark and whether it is well-known, I will give my views on the other matters relevant to Modefine’s pleaded case. One of the difficulties that arise in making further assessments is that I have found Modefine’s mark not to be well-known. However, for the purpose of explaining my views in case I am wrong on that, it seems to me that if Modefine’s mark was well-known, the following factors are important:

- The mark would be well-known in relation to the retailing of clothing (and perhaps sunglasses) and also as a trade mark in relation to those goods.
- If the mark is well-known, its degree of distinctiveness through use would not be of the highest order (although it is reasonably distinctive per se).
- The average consumer of Modefine’s goods would, as identified earlier, be a member of the general public, whereas, the average consumer of Auto’s goods and services would be businesses and individual businessman. For some of the goods and services this would specifically be businesses involved in the selling of cars, but other goods and services are not so field specific.

19. The first relevant assessment relates to the degree of similarity between the respective trade marks.

**Comparison of the marks**

20. The specific question is whether Auto’s trade mark (or an essential part of it) is identical or similar to Modefine’s trade mark? As identified in my summary of Modefine’s evidence, the evidence shows that the mark is often (more often than not) presented in a particular form of presentation. I will use this as the basis for comparison. The respective marks are:

Modefine’s mark	Auto’s mark
	<p>AAX</p>

21. The ECJ has provided guidance on how one should assess mark similarity, although this is in relation to section 5(2) (or equivalent parts of the Directive and/or the Council Regulation on the Community Trade Mark), this is equally applicable to the question here. On mark similarity, the following guidance is useful:

(a) the average consumer normally perceives a mark as a whole and does not proceed to analyze its various details; *Sabel BV v Puma AG* [1998] RPC 199 ;

(b) the visual, aural and conceptual similarities of the marks must therefore be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components; *Sabel BV v Puma AG*;

(c) assessment of the similarity between two marks means more than taking just one component of a composite trade mark and comparing it with another mark; the comparison must be made by examining each of the marks in question as a whole, which does not mean that the overall impression conveyed to the relevant public by a composite trade mark may not, in certain circumstances, be dominated by one or more of its components; *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH* (“*Medion*”); C-120/04 *Medion* [2005] ECR I 8551

(d) the assessment of similarity can only be carried out solely on the basis of the dominant element in a mark if all of its other components are negligible *Case C-334/05P Shaker di Laudato & C.Sas v OHIM* (“*Limonchello*”);

(e) it is only when all other components of a complex mark are negligible that it is permissible to make the comparison on the basis of the dominant element; *Limonchello*

22. Whilst the wording of section 56(2) relates to the similarity of the well-known mark with the later (Auto’s) mark or an essential part of it, Auto’s trade mark has only one element with no essential part other than its totality. It is, therefore, a mark against mark comparison that is necessary.

23. The A/X element of Modefine’s mark is the most prominent part of it. It is also distinctive. I therefore view this as the dominant and distinctive element of Modefine’s mark. Although bearing in mind the dominant and distinctive element, it is still a whole mark comparison that must be made (*Sabel BV v Puma AG*). There is an exception to this, namely, when an element of a complex or composite mark dominates its overall impression to such an extent that all of its other elements are negligible (*Limonchello*). This is not the case here. In the context of Modefine’s mark, the words ARMANI EXCHANGE still play an important role. These words, although smaller, are visually and aurally striking and will not be ignored from the mark. The words also give the mark as a whole some form of concept (although a vague undefined one).

24. In terms of visual similarity, the eye of the average consumer will notice the difference in terms of the additional element in Modefine’s mark, however, the

eye will also notice a similarity between the dominant element of Modefine's mark with Auto's mark. In terms of this similarity, both are simply letters (albeit with a line in Modefine's mark) and both contain the letters A and X in that order. The eye will, however, also notice that Auto's mark has an additional letter A whereas Modefine's mark has a line between the A and the X. This assessment follows through into the aural assessment of similarity. A difference will be created by the additional words ARMANI EXCHANGE, but, given that the start of Modefine's mark (the dominant and distinctive element) starts with the sound "A, X" and that Auto's mark is pronounced "A, A, X", a similarity is still created.

25. In relation to conceptual similarity, I note that it is possible for conceptual differences to counter visual and aural similarities. The reverse could also operate in that conceptual similarity (or identity) can counter visual and aural differences (so bringing the marks closer together in terms of overall similarity). However, for any counteraction to operate at least one of the marks must have a clear and specific meaning<sup>7</sup>. To this extent, there is no particular concept to Auto's mark giving it any meaning beyond it consisting of three random letters. In relation to Modefine's mark, it is possible to argue that the average consumer may see the letter A as representing the initial letter of ARMANI and the letter X as representing the X from the word exchange. Whilst this may have been the intention of Modefine, it is an immediate grasp of any meaning of which I must be concerned. Given this, it is my view that the A/X element of Modefine's mark will not form any specific conceptual meaning in the mind of the average consumer. The ARMANI EXCHANGE element may give a conceptual hook relating to some form of exchange service offered by a person called ARMANI, however, this concept is not a strong one and its meaning not particularly clear. I also take into account that A/X is, in any event, the dominant and distinctive element in the mark and that there is no conceptual similarity (or dissonance) between Auto's mark and the dominant and distinctive element of Modefine's mark. Overall, I take the view that there is no meaningful conceptual counteraction, to either increase or decrease the degree of overall similarity.

26. My overall assessment, based on the above analysis, is that the respective marks are similar. Whilst there are some clear differences, the degree of similarity, bearing in mind the dominant and distinctive elements of the marks, must be assessed as a reasonable degree of similarity.

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<sup>7</sup> See, for example, *Case T-292/01 Phillips-Van Heusen v OHIM – Pash Textilvertrieb und Einzelhandel (BASS)* [2003] ECR where the CFI stated:

"For there to be such a counteraction, at least one of the marks at issue must have, from the point of view of the relevant public, a clear and specific meaning so that the public is capable of grasping it immediately."

### **The case relating to similar goods and services**

27. Section 56(2) relates to identical or similar goods and services (I will come back to Modefine's argument in relation to dissimilar goods/services shortly). Modefine's statement of case did not identify which goods and services in Auto's application it considered to be similar to its own. However, in its submissions it stated:

"The applicant has applied to register AAX for a wide range of goods and services, at least some of which are highly similar to goods and services for which the opponent's A/X ARMANI EXCHANGE trade mark is well-known in the UK; for example, "advertising, marketing, consulting and promotional services."

28. I intend to consider this as Modefine's strongest case. All relevant factors relating to the goods/services in the respective specifications should be taken into account in determining this issue. In *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer* the ECJ stated at paragraph 23 of its judgment:

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

29. Other factors may also be taken into account such as, for example, the distribution channels concerned (see, for example, paragraph 53 of the judgment of the CFI in Case T-164/03 *Ampafrance S.A. v OHIM – Johnson & Johnson GmbH (monBeBé)*).

30. Modefine's goods and services relate, essentially, to clothing and its sale. Auto's services relate to advertising, marketing, consulting and promotional services, all of which can be categorized as business services. It seems to me that the nature of Auto's services are different (in comparison to Modefine's goods and services), as are their purposes and methods of use. They are clearly not in competition, nor do I see how they can be regarded as complimentary in the sense described by the ECJ<sup>8</sup>. I struggle to see any real point of similarity. Whilst Modefine's goods may be advertised, this does not mean that an advertising service is being offered. I can see no similarity in how the respective goods/services reach, or are brought to the attention of, their respective consumers, indeed, the average consumers also differ. My finding is that there is no similarity between the respective goods/services.

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<sup>8</sup> See case T-169/03 *Sergio Rossi v OHIM – Sissi Rossi (SISSI ROSSI)* [2005] ECR II-685, paragraph 60, upheld on appeal in Case C-214/05 P *Rossi v OHIM* [2006] ECRI-7057

31. I should add that even if there was a degree of similarity then it would only be of a very low degree. If this were the case then the various factors: the degree of distinctiveness (not the highest), the closeness (reasonable) of the marks, the average consumers (different), the similarity between the goods/services (none/low) would not combine, even taking into account the principle of imperfect recollection (*Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V* [2000] F.S.R. 77), to create a likelihood of confusion. Indeed, I do not even think that Modefine's mark would be brought to mind by someone encountering Auto's trade mark in relation to its goods and services (or vice versa). **The case relating to similar goods and services would fail even if Modefine had a well-known mark.**

### **The case relating to dissimilar goods and services**

32. Although section 56(2) makes no mention of dissimilar goods and services, Modefine still rely on this provision in view of Article 16(3) of TRIPS, which reads:

“3. Article 6bis of the Paris Convention (1967) shall apply, mutatis mutandis, to goods or services which are not similar to those in respect of which a trademark is registered, provided that use of that trademark in relation to those goods or services would indicate a connection between those goods or services and the owner of the registered trademark and provided that the interests of the owner of the registered trademark are likely to be damaged by such use.”

33. Article 6bis of the Paris Convention reads:

“(1) The countries of the Union undertake, ex officio if their legislation so permits, or at the request of an interested party, to refuse or to cancel the registration, and to prohibit the use, of a trademark which constitutes a reproduction, an imitation, or a translation, liable to create confusion, of a mark considered by the competent authority of the country of registration or use to be well known in that country as being already the mark of a person entitled to the benefits of this Convention and used for identical or similar goods. These provisions shall also apply when the essential part of the mark constitutes a reproduction of any such well-known mark or an imitation liable to create confusion therewith.”

(2) A period of at least five years from the date of registration shall be allowed for requesting the cancellation of such a mark. The countries of the Union may provide for a period within which the prohibition of use must be requested.

(3) No time limit shall be fixed for requesting the cancellation or the prohibition of the use of marks registered or used in bad faith.”

34. There are a number of problems with Modefine's claim here. Firstly, section 56(2) does not include any wording similar to the provisions of Article 16(3) of TRIPS and I do not see how the provisions of TRIPS or indeed the Paris Convention can have direct effect on the wording and application of the Act. The reason, perhaps, why no amendment has been made to section 56(2) may lie in the second problem, namely, that even if the provision could be relied upon, Article 16(3) relates to trade marks which are registered. This was highlighted by the CFI<sup>9</sup> in decision T-150/04 where it stated:

"In addition, Regulation No 40/94 is consistent, on this point, with Article 16(3) of the Agreement on Trade-Related Aspects of Intellectual Property Rights of 15 April 1994 (Annex 1 C to the Agreement establishing the World Trade Organisation) (OJ 1994 L 336, p. 214), which extends the application of Article 6 bis of the Paris Convention to situations where the goods or services at issue are not similar, on the condition, however, that the earlier mark has been registered."

35. Modefine do not have a registration<sup>10</sup> covering the UK so it would not, in any event, be entitled to rely on Article 16(3) of TRIPS.

36. The third and final problem relates to the use of the words "connection" in Article 16(3). I have already found, in relation to similar goods and services, that the relevant factors do not combine to create a likelihood of confusion. This finding was made in relation to services which Modefine felt were the most similar. I extended this finding to express the view that there would not even be a bringing to mind. In view of this, I do not see how any connection or link between the respective marks, having regard to their respective goods and services, will be formed. Modefine state that famous and exclusive marks are often licensed in relation to the use of a wide range of goods and services. It gives an example of a Mercedes-Benz car, the interior finish of which was designed and branded by Giorgio Armani. What Modefine says may or may not be true. But what I must consider are the respective goods here. Auto are not seeking registration in relation to cars or the interior of cars. They seek registration for a range of business services, most (but not all) of which relate to businesses in the car trade. I cannot see why a connection or link of any kind (having regard to the other relevant factors) will be made. The licensing point may be a more reasonable argument in relation to other consumer goods, but this is not the case here. **For all these reasons, the case relating to dissimilar goods and services would fail even if Modefine had a well-known mark.**

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<sup>9</sup> The Court of First Instance of the European Communities

<sup>10</sup> As stated earlier, at least not one that predates the application being opposed

37. I note that in its submissions Modefine refers to the tests under section 5(3) of the Act, however, section 5(3) has not been pleaded. In any event, this would also have been bound to fail as without a link<sup>11</sup> being made by the average consumer then there can be no damage.

### **Summary of findings**

38. In summary, my findings are:

1. That Modefine's mark is not entitled to protection under the Paris Convention or the WTO agreement as a well-known trade mark in the UK.
2. That even if Modefine's mark was considered to be well-known in the UK, the goods and services for which it is well-known are not similar to the goods and services of Auto's trade mark. Even if there is a small degree of similarity between the goods and services, confusion, having regard to all the relevant circumstances, is not likely.
3. That, furthermore, in relation to dissimilar goods and services, there is no provision (despite Article 16(3) of TRIPS) in section 56(2) of the Act to prevent the use of the applied for mark in relation to dissimilar goods and services, and, in any event, Article 16(3) relates to earlier marks which are also registered (Modefine's mark is not). Furthermore, the use by Auto of its mark in relation to its goods and services would not indicate a connection with Modefine's mark or its owner.
4. That the opposition is dismissed.

### **Costs**

39. Auto has been successful and is entitled to a contribution towards its costs. I hereby order GA Modefine S.A. to pay American Auto Exchange, Inc. the sum of £1400. This sum is calculated as follows:

<b>Action</b>	<b>Cost</b>
Preparing a statement and considering the other side's statement	£400
Preparing evidence and considering and commenting on the other side's evidence	£600
Preparing submissions	£400
<b>Total</b>	<b>£1400</b>

<sup>11</sup> On the "link" the ECJ stated in *Intel Corporation Inc v CPM (UK) Ltd* ("Intel") (C-252-07):

"The fact that for the average consumer, who is reasonably well informed and reasonably observant and circumspect, the later mark calls the earlier mark with a reputation to mind is tantamount to the existence of such a link, within the meaning of *Adidas-Salomon and Adidas Benelux*, between the conflicting marks."

40. 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 4<sup>th</sup> day of August 2009**

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