

**O-263-15**

**TRADE MARKS ACT 1994**

**APPLICATION No. 2557947 IN THE NAME OF TIMKEN UK LIMITED  
TO REGISTER THE TRADE MARK 'REVOLVO'  
IN CLASSES 7, 12 & 42**

**AND**

**OPPOSITION No. 101392  
BY VOLVO TRADEMARK HOLDING AKTIEBOLAG**

## Background and pleadings

1. On 1<sup>st</sup> April 2014, a decision was issued on behalf of the registrar rejecting opposition No. 101392 by Volvo Trademark Holding Aktiebolag against application 2557947 in the name of Eriks Industrial Services Limited. The application has subsequently been assigned to Revolve Limited and then to Timken UK Limited.
2. The application was made on 7<sup>th</sup> September 2010 and is for the mark REVOLVO. The goods and services for which registration of the mark is sought are:

### Class 7

Anti friction bearings; Bearings for industrial machines and equipment, namely mining equipment, quarrying equipment, machines used in the manufacture and processing of paper and pulp, food, beverages and metal; Bearings for industrial machines and equipment used in the extraction industries; Bearings for industrial machines and equipment used in the printing industry; Bearings for industrial machines and equipment for power generation; Bearings for industrial machines and equipment used in civil engineering projects, namely the building of railways; Bearings for motors, gearboxes, and engines (excluding land vehicle motors); Bearings for use in theme park rides; Bearings for shafts; Bearings for transmission shafts; Parts and fittings therefor, namely rings for bearings, bearing brackets, bushings for bearings, discs for clutch thrust bearings. (emphasis added)

### Class 12

Anti friction bearings; Bearings for use in land, air and sea vehicles and vessels; Anti friction bearings for motors, gearboxes, and engines; Release bearings for the friction clutches of land vehicles; Transmission bearings for land vehicles; Parts and fittings therefor, namely rings for bearings, bearing brackets, bushings for bearings, discs for clutch thrust bearings.

### Class 42

Consultancy services relating to the design of anti friction bearings; Consultancy services relating to the design of bearings for industrial machines and equipment, (namely mining and quarrying equipment, machines used in the manufacture and processing of paper and pulp, food, beverages and metal, machines and equipment used in the extraction industries, the printing industry, machines and equipment for power generation, machines and equipment used in civil engineering projects) motors, gearboxes, and engines, shafts and transmission shafts; Consultancy services relating to the design of bearings for use in theme park rides; Design services concerning bearings for industrial machines and equipment, namely mining equipment, quarrying equipment, machines used in the manufacture and processing of paper and pulp, food, beverages and metal, machines and equipment used in the

extraction industries, the printing industry, machines and equipment for power generation, machines and equipment used in civil engineering projects; Design services for parts of vehicle motors, namely anti friction bearings for motors, gearboxes, and engines, bearings for shafts and transmission shafts; Design services for anti friction bearings for use in theme park rides; Design services for parts and fittings for anti friction bearings, namely rings for bearings, bearing brackets, bushings for bearings, discs for clutch thrust bearings; Computer aided design engineering services; Engineering services for the design of anti friction bearings for industrial machines and equipment, (namely mining equipment, quarrying equipment, machines used in the manufacture and processing of paper and pulp, food, beverages and metal machines and equipment used in the extraction industries, the printing industry, machines and equipment for power generation, machines and equipment used in civil engineering projects), motors, gearboxes, engines, shafts and transmission shafts and for use in theme park rides

3. As can be seen from this list, the goods are bearings for various uses and parts and fittings for such bearings. The services are consultancy and design services relating to these bearings.

4. The opposition under s.5(2) and s.5(3) of the Act is based on four earlier trade marks each consisting of the word VOLVO. It is sufficient at this stage to note that all the earlier marks are registered in one or more of classes 7, 12 and 42, i.e. the same classes as the opposed application. The original Hearing Officer accepted that some of the goods are identical. He also accepted that:

- The opponent's mark is well known in the UK for motor cars.
- The opponent's mark is also a *"well used"* mark *"in relation to buses, trucks, construction equipment and certain uses in the marine and industrial fields (particularly engines used in those fields)."*
- *"Parts for all of these goods are also sold, as well as other ancillary services."*

5. Despite these findings the original Hearing Officer rejected the opponent's grounds of opposition under sections 5(2)(b), 5(3) and 5(4)(a) of the Act. He found that there was no likelihood of confusion between the opponent's earlier marks and the applicant's mark, even if both were used for identical goods. He rejected the s.5(4)(a) ground because similar reasoning led him to conclude that use of the applicant's mark would not constitute a misrepresentation to the public, which is an essential requirement in order to sustain an opposition based on a passing off right. He further held that because VOLVO does not stand out in REVOLVO, the relevant public would not make a link between the marks and therefore the applicant's mark

would not take unfair advantage of the earlier mark, nor be detrimental to its distinctiveness or reputation.

6. The opponent appealed to the Appointed Person. The appeal was heard by Professor Ruth Annand. Professor Annand upheld the decision of the Hearing Officer under s.5(2)(b). However, she made the following points in relation to the decision of the original Hearing Officer under s.5(3):

“(1) Whilst the Hearing Officer indicated that he had taken account of the reputation of the earlier trade mark, his findings on reputation were: (a) limited (see paras. 38 – 40 above); (b) taken in the context of distinctiveness for Section 5(2)(b); and (c) confined to Class 12 – seemingly cars and car parts including bearings (Decision, para. 25).

(2) On the other hand, the relevant reputation in the VOLVO brand claimed and evidenced by the Opponent under Section 5(3) went much wider and covered not only cars and car parts and accessories, but also trucks, buses, construction equipment, marine and industrial engines and power systems, parts and accessories therefor, and services related to all the foregoing.

(3) It is unclear whether the Hearing Officer took into account any of the *Intel* factors other than reputation in denying the existence of a “link” for Section 5(3), for example, the uniqueness or essential uniqueness of the VOLVO mark (*Intel*, para. 56).

(4) In *Intel*, the CJEU confirmed: “the fact that for the average consumer, who is reasonably well informed and reasonably observant and circumspect, the later mark would call the earlier mark to mind is tantamount to the existence of such a link” (para. 60).

The Hearing Officer said he thought no link would be made between the marks because “the brand VOLVO (even taking into account its reputation) will not stand out in REVOLVO”. That was the same reason he gave for his finding that no likelihood of confusion existed (Decision, para. 33). Yet, the Hearing Officer also said that the average consumer could not fail to perceive a moderate degree of visual and aural similarity between the marks because of the common 5 letters VOLVO.

It is therefore not clear to me from the Decision that that the Hearing Officer applied the correct standard in determining the non-existence of a link under Section 5(3). Instead, he seems to have based that finding on his previous assessment of no likelihood of confusion for Section 5(2)(b).

(5) The Hearing Officer did not consider the opposition under Section 5(3) in relation to the goods and services applied for in Classes 7 and 42 (i.e., the disputed goods and services falling outside the purview of his assessment of likelihood of confusion).”

7. Professor Annand made the following findings in relation to the decision of the original Hearing Officer under s.5(4)(a):

“80. The question for determination under Section 5(4)(a) was whether use of REVOLVO for the purposes of distinguishing the goods and services applied for in Classes 7, 12 and 42 from those of other undertakings was liable to be prevented at the date of filing Application number 2557947 (7 September 2010) by enforcement of rights which the Opponent could then have asserted against the Applicant under the law of passing off (*CRANLEYS Trade Mark*, BL O/354/14, para. 7(7)).

81. I agree with Ms. May that this is not the same test as for Section 5(2)(b). Section 5(4)(a) is dependent on use not registration, and the viewpoint is that of a substantial proportion of customers not the average consumer (*Marks & Spencer PLC v. Interflora Inc.* [2012] EWCA Civ 1501, para. 34, *Interflora Inc. v. Marks & Spencer PLC* [2014] EWCA Civ 1403, paras. 107 – 128, Joined Cases T-114/07 and T-115/07, *Last Minute Network Ltd v. OHIM* [2009] ECR II-1919, paras. 60 – 65).

82. I also agree with Ms. May that although the Hearing Officer appeared to accept that the Opponent had the requisite goodwill, he made no findings as to the nature of that goodwill.

83. Ms. May emphasised that although VOLVO was perhaps best known for the design, manufacture and sale of cars, buses and trucks, the Opponent’s goodwill included a significant aftercare service in all aspects of the Opponent’s businesses plus direct sales of Genuine Volvo Parts in the fields of cars, trucks, buses, construction/industry and marine.

84. The Hearing Officer indicated that he had not considered the ground of opposition under Section 5(4)(a) (Decision, para. 34). I think it inescapable that the Hearing Officer based his rejection of the Opponent’s case under Section 5(4)(a) on his determination of Section 5(2)(b) (taken *inter alia* in relation to Class 12 only)<sup>8</sup>.

85. In my judgment, the Opponent was justified in complaining on appeal that the Hearing Officer failed properly to consider the ground of opposition under Section 5(4)(a) even though the Opponent had fully argued that ground below and provided extensive evidence.”

8. Professor Annand therefore set aside the Hearing Officer’s decisions under s.5(3) and s.5(4)(a) and, on 30 January 2015, remitted the case to the registrar for a fresh determination by a different Hearing Officer.

9. The parties indicated that they wished to be heard again and so a further hearing was held on 15 May 2015. At this hearing the opponent was again represented by Ms Charlotte May QC, instructed by Hogan Lovells International LLP and the applicant was again represented by Ms. Rigel Moss McGrath of WP Thompson & Co.

## The evidence

10. It is clear from Professor Annand's decision that she did not consider that the decision of the original Hearing Officer had done justice to the evidence, particularly that of the opponent. It is therefore necessary for me to pay particular attention to this. Unusually, Professor Annand's decision included her own summary of the evidence, which is re-produced below.

"12. The Opponent's evidence was given by Ms. Monica Dempe, the Opponent's Managing Director and Mr. David Baddeley, Customer Service Director at Volvo Car UK Limited.

13. Ms. Dempe gave evidence as to the overall business of the Opponent under the VOLVO trade mark in the EU/UK, with some concentration on the use of VOLVO in connection with bearings for trucks, buses, construction equipment, marine and industrial engines and power systems, and related services.

14. Mr. Baddely's evidence on the other hand, dealt with VOLVO car sales and VOLVO car aftermarket sales and services (including in relation to bearings) in the UK.

15. Ms. Dempe explained relevantly to this opposition that there were 3 arms to the VOLVO business (First Witness Statement of Monica Dempe, dated 24 July 2013, paras. 11 – 17):

1) The Opponent who holds the VOLVO trade mark, and licenses it to 2) and 3) below for use in connection with their businesses.

2) Volvo Group who manufactures sells and supplies under the VOLVO trade mark trucks, buses and construction equipment and parts and accessories therefor, and under the VOLVO PENTA trade mark marine and industrial engines and power systems and parts therefor. The Group provides support services to its customers and dealers under the VOLVO trade mark such as financing, leasing and insurance, and vehicle maintenance and diagnostics. Volvo Group's net turnover for 2012 in Europe was GBP 11.1 billion, with the UK, France and Sweden being its biggest European markets.

3) Volvo Cars including Volvo Car UK Limited, who manufactures, sells and supplies under the VOLVO trade mark cars, car parts and accessories, and related services.

16. Historically, the VOLVO brand was first adopted in 1915 by AB Volvo, then a subsidiary of SKF, the Swedish ball bearing manufacturer. Ms. Dempe exhibited a picture of an old ball bearing from 1915 marked with the VOLVO trade mark (MD 13). The first wide scale use of VOLVO was in relation to a car produced in Sweden in 1927, followed by the first VOLVO branded truck in 1928. The first VOLVO factory was opened in the EU in

Belgium by 1964. VOLVO trucks and construction equipment were introduced onto the UK and Irish markets in 1967; VOLVO cars entered the EU and UK markets in the 1970s (Dempe 1, paras. 21 – 26).

17. The historical and other publicly outward facing materials exhibited by Ms. Dempe emphasise the core values of the VOLVO brand as quality, safety and environmental care (see MD 12 and e.g., MD 1 – Volvo Group Annual Report 2010, MD 3 – trucks, MD 4 – buses and MD 5 – construction equipment respectively).

18. Ms. Dempe gave market share figures *inter alia* in the UK as follows (Dempe 1, paras. 27 – 40):

(a) trucks, an average of 16.2% per year in the years 2003 – 2010;

(b) buses, 50.8% in 2005 and 41.5% in 2006;

(c) construction equipment, an average of 7.6% per year in the years 2006 – 2010.

Net sales of VOLVO PENTA marine and industrial engines and power systems for Europe were GBP 439 million in 2009 and GBP 451 million for 2010 but no further breakdown was provided (Dempe 1, para. 40).

19. Ms. Dempe highlighted the importance of the aftermarket business to the competitiveness and profitability of the VOLVO brand (Dempe 1, paras. 18 – 20). She exhibited copies of various brochures, web pages and UK press releases referring to Genuine Volvo Service and Genuine Volvo Parts for VOLVO trucks, buses and construction equipment, and VOLVO PENTA marine and industrial parts and accessories (MD 8A – MD 8E, MD 9, MD 10, MD 11).

20. Pertinently, Ms. Dempe provided detailed information on the sale of bearings under the VOLVO brand in the UK for trucks, buses and construction equipment, and marine and industrial applications going back many years. Sales figures in the 5-year period before the relevant date were *inter alia* exhibited in support (Dempe 1, paras. 43 – 69 and the exhibits mentioned therein). Pictures of VOLVO/VOLVO PENTA spare parts were exhibited at MD 11.

21. Information was also given by Ms. Dempe on the aftermarket services provided by the Volvo Group in the UK under the VOLVO brand (e.g., VOLVO Trucks Transport Solutions including VOLVO emergency roadside assistance and online access to truck loading information and fleet service records) (Dempe 1, para. 72).

22. VOLVO aftermarket services had also been supplied in the UK in relation to bearings. An example was the Certified Refurbishment Program for articulated haulers and wheel loaders launched in the UK in 2012 (but in practice offered in the UK for many years beforehand) the promotional materials for which spoke of replacing bearings (Dempe 1, para. 75 and MD 38).

23. Voluminous evidence was provided by Ms. Dempe of UK advertising of the VOLVO brand particularly in relation to cars where advertising spend from 2005 to 2010 totalled around GBP 179 million. Significant advertising spends were also incurred in the UK in the period 2005 to 2010 in relation to VOLVO buses and trucks. The evidence of advertising provided by Ms. Dempe spanned television, cinema, outdoor, press, online and direct mail advertising, all supported by independent third party reports (Dempe 1, paras. 92 – 110 and MD 44 – 48). The advertising stressed the core values of the VOLVO brand.

24. UK sponsorships under the VOLVO brand included high profile golfing and sailing events (Dempe 1, paras. 111 – 112 and MD 49 – 50).

25. The Witness Statement of David Baddeley, Customer Service Director at Volvo Car UK Limited, dated 19 July 2013, dealt with VOLVO cars. Mr. Baddeley gave evidence that on average 33,000 VOLVO cars were sold in the UK in each of the years 2005 to 2010 inclusive. The UK was the third biggest market for VOLVO cars in 2009 and 2010 (Baddeley, paras. 12 – 13 and DB 3).

26. VOLVO car aftermarket services included VOLVO service plans which listed among their benefits use of only VOLVO genuine parts “ensuring that the highest safety, quality and environmental demands are met” (DB 4).

27. Mr. Baddeley explained that genuine VOLVO car component or spare parts were sold in the UK through Volvo-owned and independent dealerships and service networks. Dealerships were centrally monitored, and an online VOLVO information and diagnostics tool was centrally available to dealers for servicing (Baddeley, paras. 17 – 18, DB 5).

28. Well over GBP 60 million VOLVO spare parts for cars were sold in the UK in each of the years 2005 to 2010 inclusive. Mr. Baddeley provided copy spreadsheets for 2006, 2007, 2008, 2009 and 2010 with breakdowns into type or category of spare parts sold in those years. There were numerous entries for bearings (Baddeley paras. 10 – 28, DB 6 – DB 10) and pictures of genuine VOLVO packaged bearings and parts were exhibited at DB 12. Mr. Baddeley exhibited numerous copy invoices to UK VOLVO dealers dated 2006 – 2010 for VOLVO spare parts including various kinds of bearings (DB 13 – DB 17). VOLVO aftermarket services included inspection and replacement of car bearings (Baddeley para. 33).

29. Finally, Mr. Baddeley provided spreadsheets extracted from Google data of unique visits to the Volvo Car UK website (e.g., 674,584 in May 2010) broken down to show unique visits to its “Service Products” (2,000 – 3,000 per month in 2010) and “Dealer Locator” (15,000 – 25,000 per month in 2010).

### *Applicant's evidence*

30. The Applicant's evidence was given by Mr. Richard John Ludlam, Marketing Manager of the Applicant (Witness Statement of Richard John Ludlam, dated 25 September 2013).

31. Mr. Ludlam explained that the mark in suit had been used by Revolvo Limited, a company within the Applicant's group of companies, in the UK since 1972 in relation to bearings (Ludlam, paras. 4 – 6).

32. REVOLVO products were sold to bearing manufacturers, other companies within the Applicant's group and repair companies. They were also sold directly to certain industries within the UK such as railways, marine and machinery (Ludlam, para. 7).

33. Mr. Ludlam said that turnover in REVOLVO products in the period 2006 to 2010 was in excess of GBP 20 million. Further, the average yearly advertising spends for REVOLVO products in this period were around GBK 70 thousand (Ludlam, paras. 8 – 9).

34. Historic and current print-outs of the www.revolvo.com website were exhibited at RJL 1 showing use of REVOLVO (mainly within an arrow device) in relation to bearings.

35. Copies of 2 brochures or flyers, which Mr. Ludlam said were distributed to potential customers in the UK, were exhibited at RJL 2. The flyer entitled "REVOLVO INGENUITY" (dated June 2010) contained pictures of bearings with REVOLVO written on them.

36. Some copy articles from the trade press mentioning REVOLVO products (mainly split roller bearings) were provided by Mr. Ludlam at RLJ 3. Again there are pictures showing REVOLVO branded bearings (e.g., The eBearing News, August 2007).

37. Mr. Ludlam commented that although the REVOLVO trade mark had been used continuously in the UK for over 40 years, the Applicant had not been contacted by the Opponent, not had any instance of confusion come to light."

11. Neither party expressed any criticism of Professor Annand's summary, although Ms May was understandably keen to take me through the evidence so as to emphasise the nature and extent of the opponent's use of VOLVO and its reputation, particularly with regard to bearings and aftermarket services. Having read the evidence<sup>1</sup>, I gratefully adopt Professor Annand's summary of it. In addition, I note the following points:

- It is not clear when the opponent first traded in the UK in relation to bearings. Ms Dempe's "*estimate*" is that it would have been shortly after Volvo started

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<sup>1</sup> Including the references sent to me after the hearing.

selling trucks in the UK in 1967 (by way of spare parts). Mr Baddeley's "estimate" is that it would have been shortly after Volvo started selling cars in the UK in the 1960s. However, as the Appointed Person noted, Ms Dempe says that Volvo first started selling cars in the UK in the 1970s and the first document supporting such sales does not mention any sales before 1970<sup>2</sup>.

- According to Ms Dempe, the aftermarket business accounted for 35% of net sales in the Industrial Operations of Volvo Group (i.e. the non-car businesses), of which around half was attributable to spare parts and workshop services.
- Volvo Group had around 12.5% of the EU market<sup>3</sup> for buses in 2010.
- According to Volvo Trucks UK's website in 2013<sup>4</sup>, customers were directed to Volvo dealers in order to purchase spare parts for Volvo trucks.
- It was possible to order parts for Volvo trucks online via Volvo's dealer network<sup>5</sup>.
- The services provided to truck owners included a consultative service called a Fuel Management Service<sup>6</sup> which, as the name suggest, was about helping owners to improve the fuel efficiency of their vehicles.
- Volvo also sells fire engines and parts and fittings therefor.
- It was also possible to directly order parts for Volvo Penta marine engines online in 2010<sup>7</sup>.
- Parts for Volvo construction vehicles could also be ordered directly<sup>8</sup>.
- It is not clear whether parts for Volvo buses could also be ordered directly in 2010<sup>9</sup>. It appears they were ordered via Volvo dealers<sup>10</sup>.
- Volvo Trucks sold around £1.6m of replacement bearings in the UK and Ireland in 2010, and nearly £9m worth of such bearings between 2005 and

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<sup>2</sup> See exhibit MB14B

<sup>3</sup> The figures exclude Greece, but include Norway, Switzerland and Israel, so market share in the EU proper would have been a little less than the stated figure.

<sup>4</sup> See exhibit MD3, page 5.

<sup>5</sup> See exhibit MD8E, page 12

<sup>6</sup> See exhibit MD8D, page 5

<sup>7</sup> See exhibit MD11, page 6

<sup>8</sup> See exhibits MD10, page 8

<sup>9</sup> See exhibit MD9.

<sup>10</sup> See exhibit MD4, page 21

2010. These figures “*significantly exceeded*” the sale of bearings by Volvo Cars.

- Volvo Construction Equipment sold 11000 replacement bearings between 2005 and 2010, which generated net sales revenue of £1.2m. Around 80% of these sales were over the counter sales (as opposed to workshop sales)<sup>11</sup>.
- Volvo Penta UK sold around 10000 replacement bearings of various types for marine engines in 2009 and 2010 at a net sales value of around £20k.
- Volvo Buses also sold replacement bearings for buses.
- Volvo Trucks offers servicing of various bearings as part of its after sales servicing<sup>12</sup>.
- Volvo offers a service whereby owners of VOLVO trucks can receive online information about the service history and performance of their trucks<sup>13</sup>.
- Volvo also offers an internet based transport information service for its truck users<sup>14</sup>.
- Market research carried out by a company called Northstar on behalf of Volvo Cars UK showed that 64% of the UK public was very or somewhat familiar with Volvo cars in 2010<sup>15</sup>.
- Volvo vehicles have won awards. The Volvo 9700 coach won International Coach of the Year in 2008 and the Volvo XC60 motorcar won EuroNCAP Advance for exceptional safety technology in 2010<sup>16</sup>.
- In 2010, Volvo (for cars) was ranked 25<sup>th</sup> in Corebrand’s top 100 Brand Power Ranking, which tracks the performance of over 1200 of the world’s top brands.
- All the invoices provided in evidence for Volvo car parts are addressed to Volvo dealers or garages<sup>17</sup>.
- Only a tiny proportion of the opponent’s sales of car parts are for goods which it lists as bearings: in 2010 there were only 9000 recorded sales of bearings accounting for sales to the value of around £67k<sup>18</sup>.

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<sup>11</sup> See exhibit MD31

<sup>12</sup> See exhibits MD36 and MD37.

<sup>13</sup> See exhibit MD8D, page 7

<sup>14</sup> See exhibit MD8A, page 21

<sup>15</sup> See exhibit MD51

<sup>16</sup> See exhibit MD54

<sup>17</sup> See exhibits DB13 to DB17

<sup>18</sup> See W/S Baddeley, paragraph 27

## The Section 5(4)(a) ground

12. It is convenient to start by considering the opposition based on s.5(4)(a), which is as follows:

“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.”

13. The relevant principles are well established and not in dispute. They are conveniently set out in Halsbury’s Laws of England (4th Edition) Vol. 48 (1995 reissue). The following 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.

“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.”

14. The following further guidance is given 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.”

15. The opponent has established that it owned a very substantial goodwill in the UK at the date of filing of the opposed application. The goodwill was in businesses making cars, trucks, fire engines, buses, industrial equipment and construction vehicles, marine engines and parts, fittings and accessories for such goods. The businesses also included substantial after sales services, including servicing, maintenance, breakdown cover and technical assistance, such as fuel efficiency analysis and advice. This would have been well known to the opponent’s customers and potential customers.

16. I accept that the opponent was particularly known for the safety features of its vehicles, and that the promotion of genuine Volvo parts was linked to that reputation. The opponent also had a good reputation for reliable and environmentally friendly products. However, these aspects of its reputation were not as pronounced as its reputation for safety.

17. I also accept that the opponent's trade in the UK under the mark VOLVO started in 1967 and therefore pre-dated the first use of REVOLVO by the applicant in 1972. Consequently, the opponent is the senior user in terms of time. However, it is not clear when the opponent first traded in bearings in the UK. If Ms Dempe's "estimate" is accurate it would have been in the late 1960s when it first provided replacement bearings for Volvo trucks.

18. The test under s.5(4)(a) requires me to compare the actual use and reputation of the opponent's mark with all normal and fair uses of the applicant's mark. This is highly relevant in a case such as this where the applicant has used its mark for some considerable time prior to the date of the opposed application. In *Advanced Perimeter Systems Limited v Multisys Computers Limited*<sup>19</sup>, Mr Daniel Alexander QC, as the Appointed Person, considered the relevant date for the purposes of s.5(4)(a) of the Act and the possible significance of concurrent use of the marks prior to the date of the opposed application. He said:

"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.

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<sup>19</sup> BL O-410-11

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.’ ”

19. In a case where the applicant has used its mark for over 40 years on the goods for which it seeks registration there would ordinarily be a strong case for attaching particular significance to the position at the start of the applicant’s use in 1972. Such an approach would present particular difficulties for the opponent, which focussed its evidence on its use and reputation in 2005 - 2010. However, I see several difficulties in approximating the applicant’s past use with normal and fair use of the mark going forward. These are:

- The applicant’s list of goods and services covers goods covered by the opponent’s goodwill for which there has been no concurrent use of the applicant’s mark, e.g. ‘Release bearings for the friction clutches of land vehicles’ and ‘Transmission bearings for land vehicles’, which plainly cover parts for cars, trucks, buses etc.
- The applicant describes itself as being in a niche market for certain types of bearings, some of which are custom made, yet this is not reflected in the generality of many of the descriptions of bearings in the application.
- The applicant states that some of its goods are sold to other companies within the same group, but there is no indication of the proportion of sales that are effectively internal sales.
- The applicant’s turnover seems substantial at £3-5m per annum, but these are likely to be relatively expensive goods and it is not clear how many customers the applicant has in the UK.
- The applicant’s marketing expenditure is modest: only around £60-80k per annum, and it is not entirely clear what this was spent on besides the maintenance of a website.
- For the most part, the parties have sold their goods into different markets. The only area of commerce where the applicant claims to have used its mark

concurrently with the opponent – bearings for marine uses – is unsupported by specific evidence of use of the applicant’s mark, at least in the UK<sup>20</sup>.

20. For the same reasons, it is difficult to attach much weight to the applicant’s evidence that there has not yet been any reported confusion. This is not surprising because the parties have not previously been in competition. Consequently, the applicant’s past use can tell me little about what would happen if it started to sell ‘Release bearings for the friction clutches of cars’ or ‘Transmission bearings for trucks’, which are covered by its application. The applicant’s past use would not necessarily prevent the opponent from succeeding in a passing off action in the event of such an extension of the applicant’s trade into the area where the opponent’s business is established<sup>21</sup>.

21. I will therefore assess the position at the date of the opposed application (“the relevant date”) as though the applicant’s mark was an unused mark. I will then consider the applicant’s established concurrent use to see if it makes any difference.

22. As I read her decision, Professor Annand was concerned that the original Hearing Officer may have failed to:

- a) Appreciate the difference between the test for confusion under trade mark law and the test for misrepresentation under the law of passing off, and
- b) Give due weight to the nature of the opponent’s reputation and the extent of its goodwill, which in the context of its after sales services went further than the goods and services for which its earlier marks were registered.

23. In *Marks and Spencer PLC v Interflora*<sup>22</sup>, Lewinson L.J. cast doubt on whether the test for misrepresentation for passing off purposes came to the same thing as the test for a likelihood of confusion under trade mark law. He pointed out that it is sufficient for passing off purposes that “a substantial number” of the relevant public are deceived, which might not mean that the average consumer is confused. In particular, he found it hard to see how there could be a likelihood of confusion amongst the public where the majority of the public would not be confused. However, in a subsequent appeal in the same case<sup>23</sup> and after an extensive review of the authorities, a differently constituted Court of Appeal found as follows:

“129. As we have seen, the average consumer does not stand alone for it is from the perspective of this person that the court must consider the particular issue it is called upon to determine. In deciding a question of infringement of a trade mark, and determining whether a sign has affected or is liable to affect

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<sup>20</sup> Exhibit RLJ3 describes a sale of Revolve bearings for an industrial application in South Africa.

<sup>21</sup> *Sir Robert McAlpine Limited v Alfred McAlpine Plc* [2004] RPC 36

<sup>22</sup> [2012] EWCA (Civ) 1501

<sup>23</sup> [2014] EWCA (Civ) 1403

one of the functions of the mark in a claim under Article 5(1)(a) of the Directive (or Article 9(1)(a) of the Regulation), whether there is a likelihood of confusion or association under Article 5(1)(b) (or Article 9(1)(b)), or whether there is a link between the mark and the sign under Article 5(2) (or Article 9(1)(c)), the national court is required to make a qualitative assessment. It follows that it must make that assessment from the perspective of the average consumer and in accordance with the guidance given by the Court of Justice. Of course the court must ultimately give a binary answer to the question before it, that is to say, in the case of Article 5(1)(b) of the Directive, whether or not, as a result of the accused use, there exists a likelihood of confusion on the part of the public. But in light of the foregoing discussion we do not accept that a finding of infringement is precluded by a finding that many consumers, of whom the average consumer is representative, would not be confused. To the contrary, if, having regard to the perceptions and expectations of the average consumer, the court concludes that a significant proportion of the relevant public is likely to be confused such as to warrant the intervention of the court then we believe it may properly find infringement.

130. In the circumstances of this case we are, of course, concerned with a claim under Article 5(1)(a) (and Article 9(1)(a)) in the context of internet advertising and the question to be answered was whether the advertisements in issue did not enable reasonably well-informed and observant internet users, or enabled them only with difficulty, to ascertain whether the goods and services so advertised originated from Interflora or an undertaking economically linked to Interflora or, on the contrary, originated from M & S, a third party. In answering this question we consider the judge was entitled to have regard to the effect of the advertisements upon a significant section of the relevant class of consumers, and he was not barred from finding infringement by a determination that the majority of consumers were not confused.”

24. It is well established under the law of passing off that the likelihood of deception should not be measured against the likely behaviours of the types of consumer who are either particularly careless and therefore unusually prone to confusion, or particularly attentive and therefore unusually resistant to deception<sup>24</sup>. So there may not be much difference in practice between, on the one hand, the average consumer with his or her presumed characteristics for the purposes of trade mark law, and on the other hand, consumers without the sorts of characteristics that would disqualify them from consideration for the purposes of assessing the likelihood of deception under the law of passing off. The requirement for a likelihood of confusion amongst “*a significant section of the relevant class of consumers*” under trade mark law might be capable of producing a different result to the test for deception “*amongst a substantial number of persons*” under the law of passing off, although it is difficult to think of examples of real cases that would have passed the latter test, but not the former. It is in fact easier to think of examples of cases that passed the test for confusion under trade mark law, but failed the test for deception under the law of

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<sup>24</sup> See, for example, Jacob L.J. in *Reed Executive Plc v Reed Business Information Ltd* [2004] RPC

passing off law<sup>25</sup>. However, for the avoidance of doubt, I have kept the appropriate test for passing off firmly in mind when making this decision.

25. I have also taken full account of the specific nature and extent of the opponent's goodwill, including the provision of extensive aftermarket services, including the provision and fitting of Volvo spare parts, including bearings.

26. Nonetheless, I have come to the conclusion that normal and fair uses of the applicant's mark would be unlikely to deceive a substantial number of the relevant public. These are my reasons.

### **The closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business**

27. Compared on a notional basis and considering normal and fair use of the applicant's mark for all the goods/services covered by the application, the parties could be trading in the same goods. The descriptions of goods in class 7 underlined in the list shown in paragraph 2 above, and all the goods in class 12 (except bearings for use in aircraft), cover goods in which the opponent trades under the mark VOLVO. Many of the other descriptions cover the same types of goods – bearings – but for use in different industries to those in which the opponent trades.

28. However, as the Appointed Person pointed out, it is also necessary to consider the nature of the opponent's reputation. Although the opponent is well known as a provider of replacement VOLVO parts, including bearings, for its cars, trucks, buses, construction vehicles, industrial equipment, and marine engines, the opponent's primary reputation is as a manufacturer of the principal goods. There is no evidence that the opponent provides bearings for purposes other than as replacement parts for its primary products. Further, replacement bearings are provided alongside many other types of replacement parts. Compared to its total sales under the mark VOLVO, or even its total sales of spare parts, the opponent's trade in bearings does not stand out as a major or distinct part of its businesses.

### **The similarity of the mark, name etc. used by the defendant to that of the plaintiff**

29. The relevant findings of the original Hearing Officer are set out below.

"21) .....The goods and services of the REVOLVO mark relate to bearings. I consider the average consumer will know that the primary purpose of a bearing is to rotate (or revolve) so as to reduce friction in machinery; ball bearings, as the name suggests, are ball like and will be assumed to revolve. As Ms Moss suggests, the word REVOLVO is so close to REVOLVE that average consumers will see the play on word – they will see an evocation.

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<sup>25</sup> For example, *BP Amoco Plc v John Kelly Ltd* [2002] FSR 5

The General Court (“GC”) has considered how trade marks may have a conceptual connotation despite not being in themselves dictionary words. In *Usinor SA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-189/05* the GC referred to a “suggestive connotation”. In *Ontex NV v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T- 353/04* it referred to the “evocative effect”. Consequently, I consider that the average consumer will:

- i) See REVOLVO as having an evocative effect based upon the word REVOLVE.
- ii) See REVOLVO as a single (invented but evocative) word and that VOLVO is not its dominant component.
- iii) Consider that there is a conceptual difference between VOLVO (an invented word with no meaning) and REVOLVO (an invented word with an evocative effect based on the word REVOLVE).

22) Regardless of the above, I think it is difficult to say that there is absolutely no similarity on a visual and aural basis between VOLVO and REVOLVO. However, from a visual perspective, whilst the marks have five letters in common (the totality of VOLVO and the last five letters of REVOLVO) I do not agree with Ms May that the marks are highly similar, irrespective of what she described as the repeating V/O pattern. The fact that the marks are relatively short and that the beginnings of the marks are different (which I accept are both simply rules of thumbs, albeit operative ones in this case) means that I assess the level of visual similarity as moderate.

23) From an aural perspective, VOLVO will be articulated as VOL-VO or, perhaps, VOLV-O. REVOLVO will most likely be articulated as RU (with a soft RU sound)-VOLV-O; although sometimes a harder RE (as in “REH”) sound may be articulated at the beginning. There are three syllables versus two. The difference is at the beginnings of the marks. However, there is clearly a similar sound in the last two syllables of REVOLVO and VOLVO. Ms May considered that in the REVOLVO mark greater emphasis would be placed on the VOLVO part of the mark given the soft RU sound. I disagree. If anything, the average consumer is likely to place greater emphasis on REVOLV, pronouncing it, effectively, as the word REVOLVE with an additional O. I consider there to be a moderate degree of aural similarity.”

30. Ms May submitted that as the Appointed Person had upheld the registrar’s decision under s.5(2)(b), and it was therefore a final decision, I was bound by the findings of the original Hearing Officer that there is a moderate degree of visual and aural similarity between the marks REVOLVO and VOLVO. I do not accept this. In *Special Effects Ltd v L’Oreal SA*<sup>26</sup> the Court of Appeal held that an opposition decision is not a ‘final’ decision (in the sense that the matter becomes *res judicata*) and does not therefore normally create a cause of action or issue estoppel. I do not

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<sup>26</sup> [2007] EWCA Civ 1

see why this is affected by whether or not the decision at first instance was confirmed on appeal. If that is right, the factual matters covered by the decision of the original Hearing Officer under s.5(2)(b) are not *res judicata*. I must make my own decision about the facts as they bear on the other grounds of opposition. That must be all the more so where the Appointed Person has directed that there should be a “*fresh determination*” of those grounds.

31. As it happens, I find that I largely agree with the original Hearing Officer’s analysis of the similarities and differences between the marks. In particular, I agree with the analysis set out under sub-points i) to iii) of paragraph 21 of the original decision (see paragraph 29 above). The only part of the analysis of the original Hearing Officer from which I would differ is the likely pronunciation of the applicant’s mark. I think it would be pronounced RE-VOLV-O (not RU-VOLV-O). However, as the original Hearing Officer also found that the applicant’s mark would be pronounced “*as the word REVOLVE with an additional O*” (with which I agree) the difference between us may be more one of expression than substance. I find that there is only a low – not “*moderate*” - level of visual and aural similarity between the marks. However, these terms are not precise and the difference between my findings on this matter and those of the original Hearing Officer may again be more about our choice of words rather than our meaning.

32. Even if I had been bound by the findings of the original Hearing Officer, I do not think that his findings would mean that the parties’ marks must be regarded as similar overall, by which I mean similarities than would be noticed by relevant consumers. In *J.W. Spear & Sons Ltd, Mattel, Inc v Mattel U.K. Limited v Zynga Inc*<sup>27</sup> Floyd L.J. (with whom L.J. Tomlinson and L.J. Patten agreed) rejected an argument that there is a threshold requirement for a minimum level of similarity under trade mark law. In the course of doing so he said:

“58 Thus I do not consider that any of these cases provides direct authority which suggests that there is a minimum threshold of similarity. The cases suggest instead that overall similarity is a binary question. Where there is some overall similarity, even faint, then it is necessary to carry out the global assessment, taking account of all relevant circumstances. Moreover, in such cases, the enhanced distinctive character of the mark may play a role in increasing the likelihood of confusion.

59 On the other hand the cases do show that the General Court has said that where there is (a) average visual and phonetic similarity, but no conceptual similarity (Wesergold ), or (b) a number of visual and phonetic features which precluded the signs from being perceived as similar ( Ferrero ), or (c) no visual or phonetic similarity but a low degree of conceptual similarity (Lufthansa), or (d) a common suffix (Kaul), there may yet be no similarity

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<sup>27</sup> [2015] EWCA Civ 290

overall between mark and sign. I have no difficulty with these conclusions: it is only overall similarity which counts.”

33. The overall level of similarity between the marks is also what matters for the purposes of passing off law. This is because consumers are not prone to dissecting trade marks. When the applicant’s trade mark is used in relation to bearings it will be seen as an obvious play on the word Revolve<sup>28</sup>. This makes it even less likely that consumers will dissect the mark into RE and VOLVO. This means that the coincidental use of the letters V-O-L-V-O in the applicant’s mark is likely to go unnoticed by relevant consumers. I therefore find that there is no material overall similarity between the marks. If I am wrong about that, the level of overall similarity is very low.

**The manner in which the defendant makes use of the name, mark etc. complained of and collateral factors**

34. There is nothing to suggest that the applicant has, or intends to, use its mark in such a way as to increase the inherent probability of deception.

**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**

35. The original Hearing Officer said this.

“18) Identity (in goods) is in play in the field of bearings and the like. A member of the general public is unlikely (although I would not go so far as to say never) to purchase and fit such goods. Instead, a mechanic or other technically skilled person will purchase and fit them on behalf of the ultimate end user. In some circumstances, that person will be an in-house person working, for example, for a business operating a fleet (of buses or trucks etc). Either way, such a person will have specialist knowledge and will need to ensure that the goods are of the correct type and specification for the job at hand. Whilst this is certainly not a casual purchase, I do not consider that this necessarily equates to a high degree of care and consideration because bearings themselves may not be hugely expensive and, furthermore, although an individual vehicle may not need replacement bearings that often, the average consumer I have identified will no doubt be working on many vehicles during the course of employment and may therefore need to replace bearings reasonably frequently. Overall, I consider this equates to a reasonably high level of care and attention being adopted by the average consumer, but certainly not the highest. The goods will be selected through perusal of websites, brochures or other technical information; I also consider it

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<sup>28</sup> The potential for a different conceptual meaning to counteract superficial visual and aural similarity is well recognised in the case law of trade marks: see, for example, the judgment of the CJEU in Case C-361/04, *PICASSO*

likely that parts could be ordered by telephone. For these reasons, I consider that the visual and aural aspects of the marks will play a fairly equal role.

19) Ms May referred to the end users of the goods as also being relevant e.g. members of the public going to garages for services/repairs. She said that such persons would be interested in the provenance of the parts that are being fitted. Once bearings (or other parts) are fitted they will not only (in most circumstance) be out of sight, but they will also have been removed from packaging, so meaning that the trade marks they may have borne are no longer visible. For these reasons, post sale confusion on the part of an end user is not highly relevant. Furthermore, in my experience, once a car has been taken to a garage and a bearing problem identified, most end users will be more interested in what the job will cost and how long it will take as opposed to what brand bearing is to be used. I accept (and the opponent's evidence demonstrates this) that some service packages offered by car manufacturers stress that they install only genuine parts. However, this evidence does not alleviate my view as to the level of interest of most end users and, for this reason, I do not consider them to be highly relevant in terms of whether there exists a likelihood of confusion. In any event, my finding may not be that important because it is not as though Ms May's submissions were predicated upon the end user adopting a casual selection process; in her skeleton argument, although it is stated that the level of care of the end user may be lower than that of a repairer (etc), her starting point was still of a degree of consideration that was "relatively high", which ultimately fits in with my finding."

36. The relevant consumer for bearings is likely to be a business which makes or maintains machines, vehicles or other equipment with moving parts. Most orders will be placed by trained and knowledgeable people. However, certain types of bearings, such as wheel bearings for cars, may be ordered by members of the general public prepared to undertake their own repairs. As Ms May acknowledged this is likely to be the exception rather than the rule. The opponent appears to accept that consumers of the bearings covered by the opposed application will pay a "relatively high" level of attention when selecting those products. If anything, that seems to me to underplay the significance of the process for selecting and purchasing bearings on the likelihood of deception. 'Bearings' is a general description. Rather like 'valves', one cannot go to a dealership, garage or website and place an order for new 'bearings'. Even if the customer is selecting the product him or herself, he or she would have to specify or otherwise identify the type of bearing required, the precise machine, vehicle, or equipment for which the bearing is required and, if it is a replacement part, probably the manufacturer and year of manufacture of the machine, vehicle or equipment. In fact the customer will already have identified the correct manufacturer if the bearing is being purchased directly from an authorised dealer or via the manufacturer's website. The likely purchase process for bearings is therefore a million miles away from the sort of casual off-the-shelf purchases where mistakes about the trade source of the goods can easily occur. I agree with the opponent that customers for bearings are likely to be interested in the provenance of

the goods. If the customer wants genuine VOLVO replacement parts, he or she is likely to take reasonable steps to ensure that these are supplied. This is relevant to the likelihood of any deception causing damage, but it is not a factor which suggests that there is likely to be a relative lack of attention on the part of the purchasing public and therefore more potential for deception.

37. The likely customer for consultancy and design services for bearings is a manufacturing business. Getting the right consultancy and design skills is likely to be very important to such a business. The undertaking chosen to provide the services at issue is therefore also likely to be selected with considerable care.

38. I accept that the strength of the opponent's mark and reputation is a factor which increases the likelihood of deception. In some circumstances it might cause consumers to see (or hear) the mark they expect to see (or hear) and make mistakes that that they would not normally make. Even so, I find it highly improbable that in the circumstances described above any relevant consumer paying even a modicum of attention is going to directly mistake a REVOLVO bearing for a VOLVO bearing. Aside from the conceptual identity of REVOLVO, the difference at the beginning of the marks makes it unlikely that they will be directly confused, even allowing for imperfect recollection.

39. The opponent's case appears to be more that consumers will think that there is a connection between the parties trading in replacement VOLVO parts and REVOLVO bearings. However, my finding that consumers would be unlikely to pick out VOLVO from the mark REVOLVO effectively puts paid to that argument.

40. For the avoidance of doubt, I would have come to the same conclusions even if I had accepted that the level of visual and aural similarity between the marks is 'moderate' and the overall level of similarity is very low. Even if some consumers were to notice that the applicant's mark includes the letters making up the opponent's mark, I do not find it likely that they would be caused to believe that the use of the letters VOLVO as part of the applicant's mark was anything more than a coincidence.

41. As normal and fair use of the applicant's mark will not constitute a misrepresentation to the public, the passing off right ground of opposition under s.5(4)(a) must be rejected.

42. In the light of my findings it is not strictly necessary to consider whether the applicant's concurrent use of its mark for 40 years would have justified the application proceeding for a narrower specification of goods/services than that applied for. However, although the quality of the applicant's evidence could have been better, I think it is sufficient to establish that the applicant has been trading in bearings in the UK under the name REVOLVO since 1972. Particularly given the

vagueness in the opponent's evidence about its first use of VOLVO in relation to a trade in bearings (and the scale of any such use of VOLVO prior to 1972), I find that the opponent would have been prevented on equitable principles from asserting a passing off right against the applicant in 2010 in relation to its use of REVOLVO for bearings and services relating to bearings, with the exception of bearings for vehicles.

43. I turn next to the ground of opposition under s.5(3), which states:

“(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 Community trade mark or international trade mark (EC), in the European Community) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.”

44. The relevant case law can be 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*).

45. The opponent's marks had been registered for more than 5 years at the date of publication of the applicant's mark applicant on 8<sup>th</sup> October 2010. In accordance with s.6A of the Act, the applicant put the opponent to proof of use of VOLVO in relation to the goods/services it relied upon for the purposes of this opposition. The goods and services on which the opponent relies are shown below. The period within which genuine use of the mark must be shown for these goods and services is 9<sup>th</sup> October 2005 to 8<sup>th</sup> October 2010. The goods and services for which I accept that there is evidence of genuine use of VOLVO are indicated by way of amendments to the opponent's list.

VOLVO (CTM 2361087)	VOLVO (UK 1051579)
<p>Class 7</p> <p>Motors and engines (except for land vehicles), including <b>for</b> marine engines, engines for industrial, agricultural and forestry machines, stationary combustion engines <b>for industrial applications</b>, electric generators; machine coupling and transmission components (except for land vehicles), including power transmissions, gearboxes/transmissions, reverse gears; couplings; <b>all being parts of car, truck, bus, or marine engines or of industrial equipment or construction vehicles</b>; inboard/outboard drive units and sailing boat drive units for inboard engines; bushes and bearings; <b>all being parts of car, truck, bus, or marine engines or industrial equipment or construction vehicles</b>; construction machines; loaders, excavators as well as parts, including components, and accessories to such products; parts, fittings and accessories for the abovementioned goods and for <b>car, truck, bus, fire engine or construction vehicles</b> <del>motor land vehicles</del>, included in class 7.</p>	<p>Class 7</p> <p>Marine engines, engines for industrial, <del>agricultural and forestry</del> machines, stationary combustion engines <b>for industrial applications</b>, and parts and fittings included in Class 7 for all the aforesaid engines; electric generators; bearings, shafts; transmissions, gearboxes, reverse gears, couplings, none for land vehicles <b>all being parts of marine engines or industrial equipment or construction vehicles</b>; drive units for inboard and outboard <b>marine</b> engines; loaders (machines); digging machines, <del>forestry machines</del> and parts thereof included in Class 7.</p>
VOLVO (CTM 2361087)	VOLVO (UK 747362)
<p>Class 12</p> <p><del>Vehicles</del> <b>Cars, trucks, buses, fire engines and construction vehicles</b> including components, and accessories to these items which do not pertain to other classes, including clutches, engines, motors, power transmissions, gearboxes/transmissions, transmission shafts, drive shafts, axles, shafts and couplings, machine coupling and transmission components, bearings, wheel bearings.</p>	<p>Class 12</p> <p><del>Land vehicles</del> <b>Cars, trucks, buses, fire engines and construction vehicles</b> and parts thereof included in Class 12.</p>
VOLVO (CTM 2361087)	VOLVO (UK 1552529)
Class 42	Class 42

Technical consultation **all in relation to car and truck maintenance and servicing, including fuel efficiency evaluation and advice**; engineering services; ~~services in connection with research development and testing of new products; computer programming, installation, maintenance and care of computer programs;~~ **all in relation to car maintenance and servicing**; operation of data processing centers, service and alarm centers for transport and traffic, in particular the detection, checking (supervision), evaluation and processing of alarm messages, and signal, measuring, sound, image, video, position, movement, state and working hour data and (remote) control/automatic control of **trucks** ~~and vehicles, air vehicles and aircraft, locomotion systems,~~ **and** the load thereof. ~~as well as of engines/motors and machines (including drive units and construction machines~~

Computerised information services; ~~computer services; computer programming;~~ advisory services relating to all the aforesaid services and to networking and communications **all in relation to car and truck maintenance and servicing, including fuel efficiency evaluation and advice and the operation of trucks.**

46. The opponent has established that VOLVO enjoyed a very substantial reputation in the UK at the date of filing of the opposed application. The reputation was for cars, trucks, buses, fire engines, industrial equipment, construction vehicles, marine engines and parts, fittings and accessories for such goods. The reputation also extended to the opponent's substantial after sales services. However, I am not satisfied that it had a reputation for anything other than the servicing and maintenance of its primary products, and these are not covered as such by the registrations of VOLVO in class 42 relied on for the purposes of this opposition. In particular, there are no turnover figures for the peripheral services, such as Volvo's fuel efficiency advice services for its trucks or its traffic information service. Further, it is unlikely that providing an online vehicle configurator tool or conducting vehicle diagnostic software services created a distinct or separate reputation from that of the sale of vehicles and/or vehicle servicing and maintenance.

47. I am satisfied that the reputation of VOLVO, as described above, existed in the UK and (so far as the CTM is concerned) "in the Community".

48. The next issue is the similarity of the marks. In *Calvin Klein Trademark Trust v OHIM*<sup>29</sup>, the CJEU rejected an appeal against a judgement of the General Court

<sup>29</sup> Case C-254/09P

rejecting an opposition against a Community trade mark application under article 8(5) of the Community Trade Mark Regulation, which is analogous to s.5(3) of the Act.

The court held that:

“68. It should be noted that, in order for Article 8(5) of Regulation No 40/94 to be applicable, the marks at issue must be identical or similar. Consequently, that provision is manifestly inapplicable where, as in the present case, the General Court ruled out any similarity between the marks at issue.”

49. I note that the General Court recently adopted the same approach in *Volvo Trademark Holdings v OHIM*<sup>30</sup>. Consequently, my earlier finding that the marks in this case are not similar overall appears to be sufficient to reject the opposition under s.5(3). However, in case I am wrong about that I will consider the opponent’s case on the assumption that the marks are sufficiently similar to potentially engage s.5(3).

50. As I noted above, my assessment of whether the public will make the required mental ‘link’ between the marks must take account of all relevant factors. The factors identified in *Intel* are:

**The degree of similarity between the conflicting marks**

If there is any overall similarity between the marks, it is very low for the reasons stated above.

**The nature of the goods or services for which the conflicting marks are registered, or proposed to be registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public**

The goods and services at issue are technical goods/services likely to be selected with a high degree of care. Some of the goods covered by the applicant’s application are identical to the opponent’s goods. Others are quite different. For example, there is no similarity between a split roller bearing and a marine engine. The relevant section of the public are, for the most part, likely to be composed of technicians or one sort or another, but where the goods are bearings for cars they may sometimes be purchased directly by members of the general public. Further, there is an overlap between the relevant public for the parties’ goods and services.

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<sup>30</sup> Case T-524/11

### **The strength of the earlier mark's reputation**

I set out the nature and extent of the reputation of the opponent's mark at paragraphs 46 and 47 above.

### **The degree of the earlier mark's distinctive character, whether inherent or acquired through use**

The earlier mark is inherently highly distinctive. It appears to be a Latin word, but it would be meaningless to the relevant public in the UK. Use of the mark has turned it into a household name. The opponent says it is unique on the market. There is no evidence to support this claim, but neither is there any evidence to challenge the claim and I am prepared to accept it as fact.

### **The existence of the likelihood of confusion on the part of the public**

There is no likelihood of confusion on the part of the public.

51. I have carefully considered these factors. I find that despite the strength of the opponent's mark, the fact that it is unique, the nature of its reputation, the identity of some of the goods, and the overlap between the relevant public for the parties' goods/services, the public will not make any link between the marks. This is because the degree of similarity between the marks is (at most) low. In particular, the obvious conceptual meaning of REVOLVO as a result of its similarity to the word Revolve (in the context of use in relation to bearings) makes it unlikely that any significant section of the public will pick the word Volvo out of the applicant's mark.

52. Subsequent to the hearing the opponent drew my attention to a decision of the Opposition Division at OHIM in Opposition B1883670. This case concerned the same parties. The opposed Community trade mark was also the word REVOLVO. The goods and services covered by the opposed application mirrored those covered by this application. The Opposition Division decided that the marks REVOLVO and VOLVO are similar. I note that in coming to this view OHIM considered that both marks were invented words with no meaning to the public in the EU. I have come to a different view as regards the applicant's mark and its meaning to English speaking consumers, which explains why we have come to different overall conclusions.

53. However, in case I am also wrong about this I will also consider the opponent's claims that use of the applicant's mark will take unfair advantage of the reputation of the VOLVO mark and/or by detrimental to its reputation of distinctive character. In assessing these matters I must necessarily assume, contrary to my findings so far, that a section of the public will make a link between the marks.

54. Ms May seemed to put the opponent's case based on detriment to the reputation of VOLVO at the forefront of her arguments. The argument seemed to be that the

opponent would lose control of its reputation. This is a well established head of damage in passing off cases<sup>31</sup>. It was suggested that if the failure of one of the applicant's bearings caused an accident, the resulting bad publicity for REVOLVO bearings could rub off on the VOLVO mark with its reputation for safety and reliability. I do not accept that heads of damage from passing off law are necessarily applicable to the assessment of detriment under s.5(3). The former is UK common law and protects the goodwill in a business. The latter is European Union law and protects trade marks with a reputation. Crucially, the heads of damage in passing off cases only become relevant where it has been established that use of the later mark will constitute a misrepresentation to the public. The opponent's case that the use of the applicant's mark will cause the public to believe that the parties' marks are used by economically related undertakings has been rejected. I see no reason why use of the applicant's mark which causes a section of the opponent's customers and potential customers to think about the opponent's mark, without assuming that there is any economic connection with the user of the applicant's mark, would damage the reputation of the opponent's mark for safety and reliability.

55. In any event, the sort of detriment to the reputation of the opponent's mark about which it complains is theoretical. In *Unite The Union v The Unite Group Plc*<sup>32</sup>, Ms Anna Carboni, as the Appointed Person, doubted whether a link between an earlier mark with a reputation and a later mark with the mere potential to create a negative association because of the identity of the applicant, or the potential quality of its goods/services, was sufficient to found an opposition based on detriment to reputation. She said:

“46. Indeed, having reviewed these and other opposition cases, I have not found any in which the identity or activities of the trade mark applicant have been considered in coming to a conclusion on the existence of detriment to repute of an earlier trade mark. I can understand how these matters would form part of the relevant context in an infringement case, but I have difficulty with the notion that it should do so in an opposition. After all, many, if not most, trade mark applications are for trade marks which have not yet been used by the proprietor; some are applied for by a person or entity that intends to license them to a third party rather than use them him/itself; and others are applied for by an entity that has only just come into existence.

47. I do not exclude the possibility that, where an established trading entity applies to register a mark that it has already been using for the goods or services to be covered by the mark, in such a way that the mark and thus the trader have already acquired some associated negative reputation, perhaps for poor quality goods or services, this fact might be taken into account as relevant “context” in assessing the risk of detriment to repute of an earlier trade mark. Another scenario might be if, for example, a trade

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<sup>31</sup> See, for example, *Sir Robert McAlpine Ltd v Alfred McAlpine plc* [2004] RPC 36 at 43 to 46, to which Ms May drew my attention.

<sup>32</sup> Case BL O/219/13

mark applicant who was a known Fascist had advertised the fact prior to the application that he was launching a new line of Nazi memorabilia under his name: I can see how that might be relevant context on which the opponent could rely if the goods and services covered by the application appeared to match the advertised activities. But I would hesitate to decide an opposition on that basis without having had confirmation from a higher tribunal that it would be correct to take such matters into account.”

56. There is no suggestion that the applicant’s existing use of REVOLVO has had any negative impact on the reputation of VOLVO. I find the submission that REVOLVO bearings might in the future be the cause of a serious accident, and the brand for the bearings responsible might be reported in the press, and this may cause a section of the public to bring to mind about the opponent’s mark and damage its reputation, falls short of a “*serious likelihood*” of such an injury occurring in the future.

57. I am even less taken by the opponent’s argument that use of the applicant’s mark will be detrimental to the distinctive character of VOLVO. It is submitted that it will weaken the ability of VOLVO to distinguish the opponent’s goods and services and cause consumers to alter their economic behaviour. Specifically, consumers will be less likely to buy the opponent’s goods and may buy the applicant’s goods instead. I do not understand why that would happen in circumstances where the section of the public that makes the mental link between the marks is aware that the users of the marks are unconnected. In *Environmental Manufacturing LLP v OHIM*<sup>33</sup>, the CJEU stated that:

“37. The concept of ‘change in the economic behaviour of the average consumer’ lays down an objective condition. That change cannot be deduced solely from subjective elements such as consumers’ perceptions. The mere fact that consumers note the presence of a new sign similar to an earlier sign is not sufficient of itself to establish the existence of a detriment or a risk of detriment to the distinctive character of the earlier mark within the meaning of Article 8(5) of Regulation No 207/2009.....”

58. In my view, the absolute most that can be said is that a section of the relevant public will “*note the presence of a new sign similar to [the] earlier sign*”. As the CJEU has made clear, that is not sufficient to establish a detriment to the distinctive character of the earlier mark.

59. Finally, it is submitted on behalf of the opponent that use of the applicant’s mark would take unfair advantage of the reputation of VOLVO, including its reputation for safety, reliability and environmental protection. The opponent is particularly concerned about this because the current applicant is owned by a US corporation which makes bearings for transmissions and gearboxes. The implication being that

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<sup>33</sup> Case C383/12P

the applicant's mark might in future be used in relation to bearings for parts of vehicles. Of course, normal and fair use of the applicant's mark would require me to consider such a possibility in any event.

60. There is no suggestion that the applicant intends to take advantage of the reputation of the opponent's mark. Nevertheless, Ms May reminded me that a finding of unfair advantage may be based on the objective circumstances<sup>34</sup>.

61. There is nothing to suggest that the applicant has acted without due regard to the interests of the owner of the VOLVO mark, which might justify a finding of unfairness. However, my primary reason for rejecting this ground is that the degree of resemblance between the respective marks is (at most) low and the purchasing process for the applicant's goods and services is likely to be a considered one in which technical requirements will play a significant part. In these circumstances I do not think that merely being weakly reminded of the opponent's mark is liable to give the applicant's mark any material advantage. In particular, I do not think that the strength of any link will be sufficient for the reputation of VOLVO, including its reputation for safety, reliability and environmental protection, to transfer to the applicant's goods and services and thus make it easier for the applicant to market them under the mark REVOLVO, or any more likely that relevant consumers will buy them.

62. For the reasons given above, I reject the opposition under s.5(3).

## **Outcome**

63. The opposition is rejected. Subject to appeal, the applicant's mark will be registered.

## **Costs**

64. The applicant has been successful and is entitled to a contribution towards its costs. The Appointed Person set aside the decision of the original Hearing Officer as regards costs and directed that the costs associated with the appeal should be treated as costs in the opposition and determined as part of the final assessment of costs.

65. Neither side asks for costs off the usual scale.

66. The opposition under s.5(2)(b) failed at first instance and the appeal against that decision was rejected. I have rejected the remaining grounds of opposition under s.5(4)(a) and s.5(3).

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<sup>34</sup> See, *Jack Wills Ltd v House of Fraser (Stores) Ltd*, [2014] EWHC 110 (Ch)

67. In the circumstances, I reinstate the decision of the original Hearing Officer on costs and hereby order Volvo Trademark Holding Aktiebolag to pay Timken UK Limited the sum of £1700 towards the cost of the opposition proceedings prior to the appeal.

68. Both parties had a measure of success on appeal. Consequently, I direct that each side should bear its own costs for the appeal proceedings.

69. As the applicant was successful on the matters remitted for a re-hearing, the opponent should make a further contribution to the applicant's costs for the second hearing before the registrar. I order the opponent to pay the applicant £750 towards the cost of the rehearing.

70. I therefore order Volvo Trademark Holding Aktiebolag to pay Timken UK Limited the sum of £2450. This should be paid within 14 days of the expiry of the appeal period or within 14 days of the conclusion of any further appeal proceedings.

**Dated this 10th day of June 2015**

**Allan James  
For the Registrar**