

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO. 2070721 BY
IN SECURE LIMITED TO REGISTER THE MARK
CLEAR CAB IN CLASSES 12 AND 39**

AND

**IN THE MATTER OF OPPOSITION THERETO UNDER NO. 46509
BY CARECAB LIMITED**

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DECISION

On 9 May 1996 In Secure Limited applied to register the mark CLEAR CAB for the following specifications of goods and services:

Class 12 - Apparatus for locomotion by land and parts and fittings therefor

Class 39 - Passenger transport; arranging of travel.

The application is numbered 2070721.

On 27 February 1997 Carecab Limited filed notice of opposition to this application. In summary the grounds of opposition are;

- (i) under Section 3(1) in that the mark applied for is devoid of any distinctive character and/or consists exclusively of elements which are descriptive of, and/or descriptive of the nature of, the goods and/or services of the application
- (ii) under Section 3(3)(b) in that registration and use of the mark would deceive the public as to the origin of the goods and services (having regard to the opponents' own use)
- (iii) under Section 3(4) in that use of the mark applied for would be liable to amount to passing off and infringement of the opponents' common law right
- (iv) under Section 3(6) in that the application was made in bad faith
- (v) under Section 5(4) on the ground that use of the mark is liable to be prevented by the law of passing off.

There is also a reference to Registrar's discretion but I need say nothing further on this point as there is no power available to me to refuse an application which in other respects meets the requirements of the Act.

The applicants filed a counterstatement denying the above grounds.

Both sides ask for an award of costs in their favour.

5 Both sides filed evidence. Neither side has requested a hearing. Acting on behalf of the Registrar and after a careful study of the papers I give this decision.

Opponents' Evidence

10 The opponents filed a statutory declaration dated 15 December 1997 by Huw Lyston Goldingham, their Company Secretary.

He puts the opponents' position as follows:-

15 "2. My company's mark CARECAB first came into use when my company adopted its present name in place of its previous name on 3rd May 1995, following a special resolution of my company passed on 21st April 1995. Now produced and shown to me marked "Exhibit HLG1" is a copy of a certificate issued by the Registrar of Companies confirming my company's adoption of its present name on the aforementioned date.
20 Since then my company has been carrying on its business in all respects with the prominent use of the mark CARECAB, both as a trade mark and as part of my company's registered name.

25 3. My company's business concerns the manufacture and sale of vehicles, more particularly vehicles adapted for transportation of elderly and disabled people. The vehicles marketed by my company are specially designed modified versions of transit-type vans, e.g. the "Ford Transit" or the "Ford Transit Kombi". Now produced and shown to me marked "Exhibit HLG2" are a selection of my company's trade brochures showing use of the mark CARECAB in connection with the vehicles in question. Also
30 now produced and shown to me marked "Exhibit HLG3" is a selection of my company's stationery, business cards and like items used on a day to day basis in the course of my company's business.

35 4. My company has used its trade mark CARECAB since my company adopted its present name on 3rd May 1995. Particularly prominent has been use of the mark at various trade exhibitions since then. My company attended The Mobility Roadshow at the Transport Research Laboratory, Crowthorne, Berkshire, in mid-July 1995 and again in mid-July 1996. Drawings, illustrations and leaflets giving details of my company's vehicles in association with the mark CARECAB were distributed,
40 although a vehicle itself was not present. My company also attended the AMBEX International '95 and AMBEX International '96 exhibitions at The Harrogate International Centre at the end of July 1995 and the end of July 1996, where again my company exhibited drawings and illustrations and distributed leaflets showing the vehicles in association with the mark CARECAB. Now produced and shown to me
45 marked "Exhibit HLG4" is a letter from the AMBEX International exhibition organisers confirming my company's presence at the exhibition in 1995. Also now produced and shown to me marked "Exhibit HLG5" are samples of the trade leaflets

distributed at the above exhibitions. Also now produced and shown to me marked "Exhibit HLG6" is an extract from the AMBEX International 96 Official Conference and Exhibition Guide which contains on page 14 an advertisement for my company's vehicles in association with its trade mark CARECAB. My company also attended the
5 Mobility Roadshow on 11th to 13th July 1997, as well as at the AMBEX International 97 exhibition on 26th to 28th July 1997, at both of which exhibitions similar publicity materials showing my company's vehicles in association with its trade mark were distributed.

10 5. Since the beginning of 1996 my company's trade mark CARECAB has been used in various advertisements in the media in association with my company's vehicles. In addition to the abovementioned advertisement constituting Exhibit HLG6, a corresponding advertisement appeared in the AMBEX International 97 Official Conference and Exhibition Guide, and corresponding advertisements also appeared in
15 the June 1996 and April 1997 issues of "Ambulance UK". Corresponding advertisements also appeared in the 1996 Mobility Roadshow Official Guide.

20 6. In September 1995 my company published a business plan for private circulation, as part of the development of my company's business. An updated version of the business plan was similarly circulated in July 1996. The business plan was circulated to a number of private individuals representative of potential customers.

25 7. Since 3th May 1995 the directors of my company have held numerous meetings and my company has had extensive correspondence with advisors and consultants, government officials at the Vehicle Certification Agency, the Department of Transport in London and the Transport Division of the Department of the Environment in Northern Ireland, and also with vehicle builders, suppliers, financiers and potential investors. The trade mark CARECAB has been used extensively in connection with
30 these meetings and discussions with my company. Furthermore, in April 1997 brochures showing my company's vehicles in association with its trade mark were circulated to a large number of health authorities and ambulance trusts, other ambulance services, and all significant airlines operating in the United Kingdom and airports in the UK.

35 8. A prototype/demonstration version of my company's vehicle has been extensively driven on the public highway since April 1997, which in its distinctive "livery" has promoted my company's trade mark CARECAB to the public. Now produced and shown to me marked "Exhibit HLG7" are two photographs showing this prototype vehicle on public display. More particularly this prototype vehicle was shown to
40 executives of Ford Motor Company Limited in Blackburn, UK on 21st May 1997 and of Ford of Europe in Basildon, UK on 25th June 1997. It was also shown to senior personnel of The Mobility Unit of The Department of Transport at Crowthorne, UK on 26th June 1997. It has furthermore been shown to executives of Ambulance Trusts in Yorkshire and Berkshire."

45 Mr Goldingham concludes with observations on the goodwill that it is said has been established by the above activities and his views on the visual and phonetic similarity between the parties' respective marks.

Applicants' Evidence

The applicants filed a statutory declaration by Ian Atkinson, their Managing Director. He describes the company's business in the following terms

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“The Company who is the Applicant started its business in the UK on 27th October 1995 and the Trade Mark CLEAR CAB was first used in the UK in 1996 by the Company.

10

The Company's business includes the manufacture, marketing and sale of passive security systems for fitment in vehicles.

15

Since its adoption by the Company in 1996, the Trade Mark CLEAR CAB has been used to describe passive security systems for installation in vehicles to separate drivers from passengers, and as part of a vehicle conspicuity package. The Trade Mark will be used on vehicles with such systems and packages installed.”

In support of this he exhibits

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- IA1 - an information brochure
- IA2 - a trade brochure advertising the system
- IA3 - correspondence with various local authorities regarding approval for the system
- IA4 - a letter commissioning signage illustrating the mark

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The products are marketed to hackney carriage and private hire care owners. The company has spent approximately £30,000 establishing market recognition and has held regional seminar presentations, produced a video, contributed to magazine articles, made a World-Wide Web presentation and manufactured demonstration vehicle signs and brochures. In particular a presentation was made to SEAT UK for which a demonstration vehicle was fitted out for the purposes of demonstration to prospective “taxi pack” customers.

30

It is said that the mark will be used as a service mark in relation to such vehicles. This highlights to the public that a particular vehicle has a security system installed and attracts those who wish to use a secure and private taxi service.

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Finally Mr Atkinson says that his company's business is not targeted at the transportation of the elderly and disabled and thus differs from that of the opponents. The businesses are dissimilar and no instances of confusion have come to light. He makes a number of observations on the respective marks noting the completely different meanings of CLEAR and CARE.

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That completes my review of the evidence.

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The opponents have raised a number of absolute ground objections under Section 3(1), 3(3)(b), 3(4) and 3(6) but have provided no evidence or argument to support these grounds. A number of them appear to be misconceived as they refer to the opponents' own use which raises a relative grounds issues (considered in relation to Section 5(4)(a) below). I cannot see

any basis for the claims that the mark at issue is devoid of distinctive character or that the application has been made in bad faith. In the circumstances I dismiss all the Section 3 grounds.

5 The main ground is based on Section 5(4)(a). This reads

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

10 (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)

15 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.”

No reference is made to any rule of law other than passing off. Geoffrey Hobbs QC set out a summary of the elements of an action for passing off in WILD CHILD Trade Mark 1998
20 RPC 455. In brief the necessary elements are as follows:

(1) that the plaintiff’s goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;

25 (2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by the defendant are goods or services of the plaintiff; and

30 (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.”

In order to get their case off the ground the opponents must establish that they have goodwill and are known by some distinguishing feature. Normally such claims are based on trading information such as indications of turnover, promotional expenditure, geographical extent of
35 trade etc. Apart from the general information given as to the target market for the opponents’ products (health authorities, ambulance trusts etc.) there is no evidence before me in this case that any sales have taken place and only limited information on expenditure on promotional activity (the cost of attending AMBEX 1995). Given also that the material date in these proceedings is 9 May 1996 the only activity on which the opponents can rely is their
40 attendance at The Mobility Roadshow in July 1995 and AMBEX International also in July 1995. Most of the rest of the activity is either of indeterminate date or clearly after the relevant date. Advertisements are said to have been placed in the media since the beginning of 1996 but precise details are not given. It seems that a prototype/demonstration vehicle was not available until April 1997. The opponents therefore rely on advertising and promotional
45 activity at the above mentioned exhibitions allied to evidence as to preparations for launch of the product (the business plans referred to in paragraph 6 of Mr Goldingham’s declaration and the preparatory meetings and consultation described in paragraph 7).

The following extracts from *The Law of Passing-Off* by Christopher Wadlow illustrate the apparently uncertain state of the law in this area and the difficulties facing an opponent/plaintiff in bringing an action based on advertising and preparations for trading alone.

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From paragraph 2.25:

10 “Goodwill is normally created by trading, and very slight trading activities have been held to suffice. There is some uncertainty as to whether a passing-off action can be brought in respect of a business which is about to commence trading and for which a demand has been created by advertising. In England, recent cases have allowed that the plaintiff in such circumstances has at least an arguable case which should not be struck out, and which may support an application for an interlocutory injunction.”

15 A further consideration of the issues and relevant cases can be found in paragraphs 2.26 to 2.28 of the above publication.

In relation to preparations for trade Wadlow says:

20 “The existence of preparations in advance of commencing business is insufficient in itself to generate goodwill. In the early case of *Lawson v. Bank of London* the plaintiff was the promoter of a bank to be known as the Bank of London. He had issued a prospectus and found premises, but the bank had not been formed or begun to trade. His action against a rival bank which had started business under the same name was dismissed. In more recent times several actions by foreign plaintiffs have failed despite
25 the existence of preparations to enter the English market.”

Again the issues are considered in more detail in paragraph 2.29.

30 As this is a decision from the papers and I have not had the benefit of submissions in relation to the law I do not propose to do more than record the above broad statements of the position. From my reading of the Wadlow commentary in relation to advertising it seems that the Courts have somewhat tentatively taken the view that a passing-off action should not necessarily be dismissed simply because it is based on advertising without evidence of resulting
35 trade. I propose to follow that line. If on appeal I am found to be wrong in relation to this point then the opposition would fall away. However, I will proceed on the basis that there is at least a case to consider.

40 Lord McNaghten described goodwill as “the attractive force which brings in custom”. At a purely practical level it seems to me that the underlying problem in basing a claim to goodwill on advertising (without evidence as to sales) is that it is not immediately apparent whether that advertising had any effect in stimulating awareness of and interest in goods to be sold under the sign. Advertising is thus only a means to an end. The normal manifestation that custom has been brought in is sales of goods under the sign. Even so it is not impossible to envisage
45 circumstances, the launch of a new model of car by an established manufacturer say, where pre-launch advertising may be said to create goodwill. However, such a claim could probably be tested by reference to some external indicator such as dealer awareness, expressions of

interest from potential customers or independent press coverage (also of course the goodwill of the manufacturers' business as a whole would come into play).

Two of the more recent cases referred to in *The Law of Passing-Off* are *The British Broadcasting Corporation v. Talbot Motor Company Ltd* 1981 FSR 228 and *My Kinda Bones v. Dr Pepper's Store* 1984 FSR 289. In the former the BBC had been experimenting with a traffic information system but had not yet put the system into operation. The headnotes record that:

“(2) There was ample evidence that a significant part of the public knew about the name CARFAX as distinctive of the BBC's system.

(3) The fact that the scheme had not yet been launched did not prevent the BBC from having built up goodwill in it which was entitled to protection.”

In the other case the plaintiff had argued that a passing-off action can succeed if it can be established that

“(a) definite and substantial preparations have been made with a view to putting goods or intended services before the public under some suitable name or mark; and

(b) a substantial number of persons know of and desire to acquire, when available, those goods or services under that name or mark.”

(per the headnotes)

It seems to have been accepted that this was at least an arguable proposition. What both of these cases suggest is that where advertising alone is relied upon the threshold for success is likely to be fairly high and dependent upon demonstrating a reasonably high level of public awareness. Applying these principles to the case before me the opponents rely in the first place on a limited period of activity (about a year) and a limited number of acts prior to the material date of 9 May 1996. More importantly there is no indication as to what the response was to the planned products (bearing in mind that only drawings, illustrations and leaflets were available at the 1995 exhibitions); whether preliminary orders were taken; whether a potential customer list was built up; or whether any continuing contact took place with visitors to the exhibition. This can be contrasted with the position in *BBC v Talbot* where it is recorded:

"Here, there is ample evidence that a significant part of the public knew about the name CARFAX as distinctive of the BBC's system. This, I think, is clearly established by many affidavits and letters, many articles and references in newspapers and periodicals, a television programme broadcast in the "Top Gear" programme in March 1980 which is estimated to have been seen by some 3 million people, and the distribution of over 100,000 copies of "Radiomobile News" and a broadsheet at the Motor Show in October 1980; and the results of some market research in the Birmingham area on behalf of Talbot themselves show that even if the sample was a true sample, which Mr. Morritt did not accept, some 1.2 million of the population of this country knew of the BBC's CARFAX system."

In the absence of any indications of this kind or other manifestations of public awareness in the case before me I do not see how I can be satisfied that any goodwill has been established.

5 It is also extremely doubtful whether the opponents' business plans and their pre-launch preparatory work is relevant or of assistance to them. In any event the fact that an updated version of the business plan was being circulated in July 1996 and a demonstration vehicle was not available until April 1997 suggests that preparatory activity had not been translated into actual trading at the material date. I, therefore, find that the opponents have failed to establish their position in relation to the first leg of the passing-off test. Even had I been persuaded
10 otherwise they would still have needed to persuade me that use by the applicants of their mark would lead to misrepresentation and damage. Given the differences between the applicants' mark and the opponents' sign and the nature of the goods and services involved there would have been further difficulty in establishing that any confusion was likely as I do not consider the similarities to be that marked.

15 The Section 5(4)(a) ground therefore, fails.

As the applicants have been successful they are entitled to a contribution towards their costs.

20 I order the opponents to pay the applicants the sum of £435.

25 **Dated this 2 day of August 1999.**

30 **M REYNOLDS
For the Registrar
The Comptroller General**