

**O-289-18**

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATION NO 3 181 949: LR IN THE  
NAME OF JAGUAR LAND ROVER LIMITED

AND

IN THE MATTER OF OPPOSITION THERETO

BY TWISTED AUTOMOTIVE LIMITED

## Background and pleadings

1. Jaguar Land Rover Limited (the applicant) applied to register the UK trade mark No 3 181 949 LR in the UK on 23<sup>rd</sup> August 2016. It was accepted and published in the Trade Marks Journal on 16<sup>th</sup> September 2016 in respect of the following goods in Class 12:

*Motor land vehicles; parts and fittings for vehicles; engines for motor land vehicles; wheels for vehicles; alloy wheels; wheel trims; wheel rims; hub caps for wheels; hub centre caps; wheel covers; wheel sprockets; arm rests for vehicle seats; luggage bags specially adapted for fitting in the boot of vehicles; car interior organizer bags, nets and trays specially adapted for fitting in vehicles; head-rests for vehicle seats; vehicle head rest covers; wing mirror protective and vanity covers; car seat covers; covers for vehicle steering wheels; fitted covers for vehicles; spoilers for vehicles; covers for vehicles; seats for vehicles; safety harnesses for vehicles; radiator grilles for vehicles; trim panels for vehicle bodies; **bicycles; non-motorised scooters; parts, fittings and accessories for bicycles or scooters; strollers and prams, and their parts and accessories; baby, infant and child seats for vehicles.***

2. Twisted Automotive Limited (the opponent) partially opposes<sup>1</sup> the trade mark on the basis of Section 5(4) (a) of the Trade Marks Act 1994 (“the Act”). This is on the basis of its alleged earlier rights in LR Motors. It claims to have been selling goods in Class 12 and providing the following services: sourcing, selling, servicing, repair and supply of parts for motor land vehicles under this sign since November 2015 and has acquired goodwill under the sign. Use of the trade mark applied for would therefore be a misrepresentation to the public and result in damage to the aforementioned goodwill.
3. The applicant filed a counterstatement denying the claims made.

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<sup>1</sup> It should be noted that the goods in Class 12 that appear in bold above are unopposed.

4. Both sides filed evidence. This will be summarised to the extent that it is considered appropriate. Only the opponent filed written submissions which will not be summarised but will be referred to as and where appropriate during this decision.
  
5. A Hearing took place on 31<sup>st</sup> January 2018, with the opponent represented by Sara Ludlum of 3volution Limited, the opponent's representatives, and the applicant by Helen Wakerley of Reddie & Grose LLP, the applicant's representatives.

## **Legislation**

6. Section 5(4)(a) states:

“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.”

## **Evidence**

### **Opponent's evidence in chief**

7. As already stated, both sides filed evidence. The opponent, in its evidence, sought to establish a protectable goodwill in its business. At the hearing, Ms

Wakerley explicitly accepted that the evidence of the opponent demonstrates that its business enjoys a goodwill. However, that this is, in her view, limited to a retail services in respect of motor vehicles. Having perused the evidence, I agree with Ms Wakerley in so far as there is goodwill demonstrated, at least in respect of retail services for motor vehicles. As such, I will not summarise the evidence in so far as it specifically relates to such services. There is some information that is however noteworthy as regards the extent and nature of this goodwill and as such I will summarise it. This is contained within the witness statement of Mr Charles Fawcett, dated 26<sup>th</sup> June 2017. Mr Fawcett explains that the opponent has an internet presence on numerous websites via which its vehicles are advertised and sold. Further, this is a channel through which potential customers can make contact with the opponent, and input any particular requirements with a view to purchasing a vehicle. The relevant information regarding internet presence is contained within numerous exhibits. Exhibit CF7 are examples of adverts placed with [www.autotrader.co.uk](http://www.autotrader.co.uk). These are from 2015 onwards. For added context, the exhibit also contains informatics from google demonstrating that AutoTrader has, from 2014, received over 7.8 million visits.

8. The opponent is also an eBay member as shown in Exhibit CF8. Further, the opponent has been active on [www.motors.co.uk](http://www.motors.co.uk) since November 2015. Exhibit CF10 is a copy of its membership page and an invoice for an advertising page dated November 2015. The exhibits also show that the opponent was present on [www.pistonheads.com](http://www.pistonheads.com), and [exchangeandmart.co.uk](http://exchangeandmart.co.uk).
9. Further, the applicant has its own website: [www.lrmotors.co.uk](http://www.lrmotors.co.uk). This has been live since November 2015. Exhibit CF15 contains a selection of screenshots between April – June 2016. According to Mr Fawcett, this shows that the opponent was advertising and selling vehicles and vehicle parts under the LR Motors brand.
10. Exhibit CF25 contains invoices for sales of vehicles and also accessories and parts for vehicles. These are all dated prior to the relevant date in August

2016. It is also noted that there is a geographical spread to the invoices with customers in numerous locations across the UK including Dorset, Cornwall, West Sussex, Hampshire, West Sussex and Surrey.

11. Exhibit CF26 are screenshots from the opponent's website. Specifically, it is the accessories page where customers can purchase, for example, wheels, bumpers, alarm systems and the like.

### **Applicant's Evidence**

12. In respect of the applicant's evidence, this has also been fully considered. At the hearing, Ms Wakerley informed me that on behalf of her client, she no longer intended to run a "senior user" argument, which means that the matter should be assessed as at the relevant date in these proceedings, namely the filing date of 23<sup>rd</sup> August 2016. As such, I decline to summarise the applicant's evidence in full as it contains information which primarily focusses upon use of LR by the applicant (which is, in any case, either so scarce as to have no consequence or is otherwise from other jurisdictions). Other information contained therein is considered not to be directly relevant (for example, trade mark registrations of LR owned by the applicant in other jurisdictions). The following information however, is noted from the evidence, contained in a witness statement from Ms Amanda Jane Beaton, Global IP Counsel for the applicant:

- The applicant is a global manufacturer of automobiles, based in the United Kingdom and is currently the UK's largest automotive manufacturer. (Exhibit AJB1 contains numerous press articles in this regard).
- The applicant, being the UK's largest automotive manufacturer, produced and sold 580,000 vehicles in 2016.
- Turnover (global) figures are impressive: 2011/12 – in excess of £13 billion; 2012/13 – in excess of £15 billion; 2013/14 – in excess of £17 billion; 2014/15 – in excess of £21 billion; 2015/16 – in excess of £22 billion.

## Opponent's further evidence

13. This was filed following the end of the evidence rounds and considered as a preliminary issue at the start of the Hearing. I agreed it could be admitted as its inclusion did not disadvantage the applicant as it did not introduce new information. Rather, it provided evidence in the form of a witness statement to solidify information already provided (as hearsay) in the opponent's evidence in chief. In the event, I will not summarise this evidence. This is because it relates to use or otherwise of LR by the applicant. In the light of Ms Wakerley's indication at the hearing that she did not intend to run the "senior user" argument, the later evidence from the opponent is not relevant.

## Passing Off - Principles

14. In *Discount Outlet v Feel Good UK*, [2017] EWHC 1400 IPEC, Her Honour Judge Melissa Clarke, sitting as a deputy Judge of the High Court stated that:

"55. The elements necessary to reach a finding of passing off are the 'classical trinity' of that tort as described by Lord Oliver in the Jif Lemon case ( *Reckitt & Colman Product v Borden* [1990] 1 WLR 491 HL, [1990] RPC 341 , HL, namely goodwill or reputation; misrepresentation leading to deception or a likelihood of deception; and damage resulting from the misrepresentation. The burden is on the Claimants to satisfy me of all three limbs.

56 In relation to deception, the court must assess whether "*a substantial number*" of the Claimants' customers or potential customers are deceived, but it is not necessary to show that all or even most of them are deceived (per *Interflora Inc v Marks and Spencer Plc* [2012] EWCA Civ 1501, [2013] FSR 21)."

15. Halsbury's Laws of England Vol. 97A (2012 reissue) provides further guidance with regard to establishing the likelihood of deception. In paragraph 309 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.”

## **Goodwill**

*Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL):

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

16. The applicant has accepted that the opponent has a goodwill, at least in respect of the retail of motor vehicles. I concur with this view. However, bearing in mind the evidence filed by the opponent, notably the invoices, it is considered that the goodwill demonstrated also extends to the retail of accessories and parts for motor vehicles.

## **Misrepresentation**

17. Having established that there is goodwill, I also take into account the following guidance:

In *Chelsea Man Menswear Limited v Chelsea Girl Limited and Another* - [1987] RPC 189 (CA), Dillon L.J. stated that:

“.....However, we have before us the case of plaintiffs with a strong reputation and goodwill in certain parts of the country, particularly Coventry and Oxford Street, which is faced with threats by the defendants to use the name “Chelsea Man” in all or any parts of the country in connection with the sale of men's clothing, in such a manner as is likely to mislead potential customers of the defendants and thereby to injure the plaintiffs' goodwill. Since the intended use by the defendants of the name “Chelsea Man” is nationwide, *prima facie*, it seems to me, the plaintiffs must be entitled to ask for a nationwide injunction. In my judgment, on the facts of the present case, the court would be justified in circumscribing the ambit of the injunction to narrower limits than England and Wales (which are the limits accepted by the plaintiffs) only if it were satisfied that the use by the defendants of the name “Chelsea Man” outside those limits in connection with their business *would not be likely substantially to injure the plaintiffs' goodwill*. I am far from satisfied that this is the case, for a number of reasons.

If it be assumed, for the sake of argument, that the injunction were confined to the three proposed restricted areas, it also has to be assumed that there is a live possibility, perhaps amounting to a probability, that the defendants with their large resources and wide chain of existing shops, would soon be using the name “Chelsea Man” in trading in towns close to the borders of some or all of those areas.

I do not propose to embark on a further examination of the evidence of which counsel on both sides have given us a careful and helpful analysis. In my judgment, it clearly shows that the use by the defendants of this name or mark even outside such areas would be likely to cause substantial confusion between the plaintiffs' and defendants' respective businesses, and thus to cause damage to the plaintiffs' business within those areas.....”

18. In *Neutrogena Corporation and Another v Golden Limited and Another* [1996] RPC 473, Morritt L.J. stated that:

“There is no dispute as to what the correct legal principle is. As stated by *Lord Oliver of Aylmerton in Reckitt & Colman Products Ltd. v. Borden Inc. [1990] R.P.C. 341 at page 407* the question on the issue of deception or confusion is

“is it, on a balance of probabilities, likely that, if the appellants are not restrained as they have been, a substantial number of members of the public will be misled into purchasing the defendants' [product] in the belief that it is the respondents'[product]”

The same proposition is stated in *Halsbury's Laws of England 4th Edition Vol.48 para 148*. The necessity for a substantial number is brought out also in *Saville Perfumery Ltd. v. June Perfect Ltd. (1941) 58 R.P.C. 147 at page 175 ; and Re Smith Hayden's Application (1945) 63 R.P.C. 97 at page 101.*”

And later in the same judgment:

“.... for my part, I think that references, in this context, to “more than *de minimis*” and “above a trivial level” are best avoided notwithstanding this court's reference to the former in *University of London v. American University of London* (unreported 12 November 1993) . It seems to me that such expressions are open to misinterpretation for they do not necessarily connote the opposite of substantial and their use may be thought to reverse the proper emphasis and concentrate on the quantitative to the exclusion of the qualitative aspect of confusion.”

19. In *Neutrogena*, Morritt L.J. stated that:

“This is the proposition clearly expressed by the judge in the first passage from his judgment which I quoted earlier. There he explained that the test was whether a substantial number of the plaintiff's customers or potential customers had been deceived for there to be a real effect on the plaintiff's trade or goodwill.”

20. In these proceedings, it is noted that the applicant is a hugely successful car manufacturer. Its trade mark application, the subject of these proceedings, is LR. The earlier sign relied upon is LR Motors, motors being descriptive or otherwise very weak for the field of activity in question. It is considered that these signs are self-evidently highly similar. Further, the earlier goodwill is in respect of retail services for the very goods applied for in the subject trade mark application. At the hearing Ms Wakerley emphatically argued that there would be no misrepresentation. This is because, according to Ms Wakerley, her client is a manufacturer of motor vehicles (and associated parts) and the earlier business is in respect of retailing of motor vehicles (and parts). Her submission is that there is a sufficient gap between these activities to ensure no misrepresentation occurs. I cannot agree with this argument and in the absence of any evidence to the contrary, it is considered that the respective fields of activity between the parties can and do overlap. I also take note of the success of the applicant's business and consider the facts to be analogous to those in the *Chelsea Man* decision referred to above. Though the goodwill of the opponent here is more modest, it is not trivial and is not limited to a solitary location. The evidence demonstrates that it has an internet presence and customers in various locations around the United Kingdom. It is considered therefore that the conclusion reached in the aforementioned *Chelsea Man* decision can equally apply here. In these proceedings, the applicant is a global entity with the clear means to locate its business on a nationwide basis. It is not unreasonable to envisage a scenario whereby the applicant locates in a position local to the opponent. In such a circumstance, bearing in mind the closeness of the signs and the relative closeness of the fields of activity, I conclude that customers of the opponent, upon seeing the goods of the applicant, will be misled. As such, misrepresentation is made out.

## Damage

21. In *Harrods Limited V Harrodian School Limited* [1996] RPC 697, Millett L.J. described the requirements for damage in passing off cases like this:

“In the classic case of passing off, where the defendant represents his goods or business as the goods or business of the plaintiff, there is an obvious risk of damage to the plaintiff's business by substitution. Customers and potential customers will be lost to the plaintiff if they transfer their custom to the defendant in the belief that they are dealing with the plaintiff. But this is not the only kind of damage which may be caused to the plaintiff's goodwill by the deception of the public. Where the parties are not in competition with each other, the plaintiff's reputation and goodwill may be damaged without any corresponding gain to the defendant. In the *Lego* case, for example, a customer who was dissatisfied with the defendant's plastic irrigation equipment might be dissuaded from buying one of the plaintiff's plastic toy construction kits for his children if he believed that it was made by the defendant. The danger in such a case is that the plaintiff loses control over his own reputation.

22. In *Ewing v Buttercup Margarine Company, Limited*, [1917] 2 Ch. 1 (COA), Warrington L.J. stated that:

“To induce the belief that my business is a branch of another man's business may do that other man damage in various ways. The quality of goods I sell, the kind of business I do, the credit or otherwise which I enjoy are all things which may injure the other man who is assumed wrongly to be associated with me.”

23. Bearing in mind the illustrative scenario described above, having found there is likely to be a misrepresentation, it is considered that damage will inevitably follow. The signs will invariably lead the public to be misled. It is considered that any event affecting the applicant (for example, the recall of a vehicle or

other technical issue), is likely to affect the opponent. It is concluded that damage is likely to occur. As such, the partial opposition under Section 5(4)(a) succeeds in its entirety.

24. As the opposition is partial, the following goods of the application are refused:

*Motor land vehicles; parts and fittings for vehicles; engines for motor land vehicles; wheels for vehicles; alloy wheels; wheel trims; wheel rims; hub caps for wheels; hub centre caps; wheel covers; wheel sprockets; arm rests for vehicle seats; luggage bags specially adapted for fitting in the boot of vehicles; car interior organizer bags, nets and trays specially adapted for fitting in vehicles; head-rests for vehicle seats; vehicle head rest covers; wing mirror protective and vanity covers; car seat covers; covers for vehicle steering wheels; fitted covers for vehicles; spoilers for vehicles; covers for vehicles; seats for vehicles; safety harnesses for vehicles; radiator grilles for vehicles; trim panels for vehicle bodies.*

25. The remaining following (unopposed) goods may proceed to registration:

*Bicycles; non-motorised scooters; parts, fittings and accessories for bicycles or scooters; strollers and prams, and their parts and accessories; baby, infant and child seats for vehicles.*

## **COSTS**

26. The opponent has been successful and is entitled to a contribution towards its costs. In the circumstances I award the opponent the sum of £2000 as a contribution towards the cost of the proceedings. The sum is calculated as follows:

Notice of opposition and accompanying statement - £500

Preparing and filing evidence - £750

Preparation for and attendance at Hearing - £750

TOTAL - £2000

27. I therefore order Jaguar Land Rover Limited to pay Twisted Automotive Limited the sum of £2000. The above sum should be paid within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 15th day of May 2018**

**Louise White**

**For the Registrar**