

O-313-05

**TRADE MARKS ACT 1994**

**IN THE MATTER OF REGISTRATION No. 2260994  
STANDING IN THE NAME OF TYRRELL AUTOMOTIVES LTD**

**AND**

**IN THE MATTER OF A REQUEST FOR A DECLARATION  
OF INVALIDITY THERETO UNDER No. 81547  
BY SMART GMBH**

## **TRADE MARKS ACT 1994**

**IN THE MATTER OF Registration No. 2260994  
standing in the name of Tyrrell Automotives Ltd**

**and**

**IN THE MATTER OF a request for a declaration  
of invalidity thereto under No. 81547  
by smart gmbh**

### **BACKGROUND**

1. Trade mark No. 2260994 was applied for on 12 February 2001. The registration procedure was completed on 20 July 2001. The mark stands registered for a specification of goods reading:

“Land motor vehicles and parts and fittings therefor, all included in Class 12”.

The mark in question is:



I note that the colours orange and grey are claimed as an element of the mark.

2. On 11 December 2003 smart gmbh applied for a declaration of invalidity against the above registration. The applicant is the proprietor of the UK and CTM applications and registrations shown in the Annex to this decision.

3. There are three grounds of invalidity as follows:

- (i) under Section 47(1)/Section 3(6) in that the registered proprietor is engaged in the retail of SMART vehicles and has no bona fide intention to use the mark in relation to the manufacture of goods in Class 12;
- (ii) under Section 47(2)(a)/5(2)(b) on the basis that the mark in suit is similar to all of the applicant's earlier trade marks shown in the Annex to this decision and is registered in respect of identical and/or similar goods such that there is a likelihood of confusion;
- (iii) under Section 47(2)(b)/5(4)(a) in that the applicant has a goodwill in the indicia SMART in relation to motor vehicles and various services relating

thereto which will be damaged by use of the mark in suit. I infer that the claim relates to the law of passing off.

4. The registered proprietor filed a counterstatement indicating that Tyrrell Automotives Limited is a retailer of motor vehicles which are sold under its registered trade mark Smartstore. It is not involved in the manufacture of motor vehicles but claims to use its mark on and in relation to the goods for which the mark is registered. The grounds of invalidity are denied.

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

6. Both sides filed evidence. The matter came to be heard on 16 November 2005 when the registered proprietor was represented by Mr J Slater of Marks & Clerk and the applicant for invalidity by Mr B Brandreth of Counsel instructed by Jensen & Son.

#### **EVIDENCE**

7. The applicant for invalidity has filed evidence by Derek Moore, its professional representative in this matter. His evidence comes from his own knowledge or from records of the applicant company. It covers the registered proprietor's activities, the applicant's own use and offers submissions in relation to the marks and goods.

8. In relation to the registered proprietor's position, Exhibits DM3 to 6 are advanced to show that it is involved in the retail sale of SMART vehicles and does not manufacture or sell own branded vehicles. Exhibit DM6, in particular, is said to show that the proprietor uses only original SMART parts and accessories.

9. In relation to the applicant's use it is said that Micro Compact Car smart GmbH has been manufacturing the SMART vehicle since 1998. The company has since changed its name to smart gmbh (Exhibits DM1 and 2). The main points to emerge from Mr Moore's evidence are that:

- the SMART car has been referred to in press releases since 1995 (Exhibit DM8);
- Britain's first official SMART sales centres opened on 17 October 2000. There are currently 54 smart centres nationwide (Exhibit DM9);
- centres opened in time for the launch included Piccadilly, Chiswick, Birmingham and Milton Keynes;
- prior to the official launch enthusiasts and un-authorised car dealers imported their own vehicles;
- total sales in relevant years were 4 in 1998, 860 in 1999, 3681 in 2000 and 5715 in 2001 (though only part of the latter would have been before the relevant date);
- the average price of a SMART vehicle was £6500;

- some £397,566 was spent on promoting SMART in the UK in 2000 and £1.69 million in 2001 (Exhibits DM11 and 12). Again it is necessary to have regard to the relevant date in these proceedings when considering this material;
- the applicant offers prospective purchasers the opportunity to configure and/or purchase vehicles online (Exhibit DM13), a facility that is also offered by the registered proprietor;
- the source code of the proprietor's website is exhibited (DM14) and is said to enable the proprietor to lead internet users onto its site.

10. The registered proprietor filed two witness statements. The first is by Clive Brandon, a Director of Tyrell Automotives Ltd. He concedes that his company does not manufacture motor vehicles but says the trade mark is used in relation to such goods. The mark is said to have been adopted some seven months before the opening of the applicant's first official SMART sales centres. He goes on to describe his company's method of operation which is essentially to provide independent advice and a sourcing capability to meet customers' particular needs. He exhibits at CB2 three of his company's Smartstore newsletters. Because the proprietor is able to source a variety of brands from a single point, Mr Brandon says that his company considers this is a 'smarter' way to buy a car and that that is where the idea for the name came from.

11. He goes on to say that the word 'smart' is used by many organisations and companies as part of a business name, product name or advertising strap line to identify products or services. In support of this he exhibits:

- CB3, a selection of brochures, publications and advertising materials showing use of the word in this way;
- CB4, print-outs from various websites showing use of the word in this way;
- CB5, print-outs from various websites showing use of the word in this way by companies and organisations in the motor trade though he acknowledges that these are dated 2004 and 2005;
- CB6, a brochure issued by Land Rover showing use of the word 'smart' in relation to car owners.

12. The remainder of the witness statement consists largely of submissions.

13. The second witness statement is by John Slater, the registered proprietor's professional representative in this matter. His evidence deals with the suggestion that registration of a trade mark for the goods in question requires the proprietor to use or intend to use the mark on manufactured goods. He points out that the Act only requires use 'in relation to' the goods or services for which it is registered. He provides print-outs from databases (JAS1 to 3) showing well known motor vehicle dealers who have registrations in Class 12.

14. Mr Moore filed evidence in reply on behalf of the applicant. For the most part his witness statement consists of submissions. I take them into account but do not propose to record them here. Mr Moore also provides further information in response to Mr Brandon's

criticisms of his previous evidence. In particular he refers to weekly circulation figures for Autocar magazine, articles from which were included in the applicant's evidence in chief. These indicate circulation figures ranging from 73,921 in 1995 to 65,072 in 2001. He also draws attention to a reference in an article submitted from The Express of 6 September 1999 which refers to an unauthorised dealer/importer claiming to handle "around 600 inquiries a day". Mr Moore suggests that this is evidence of the SMART vehicle's pre-launch reputation. He also exhibits, DMr1 to 3, information on unauthorised SMART dealers dated 12 December 1999 along with website material where available and domain name availability material. Finally Mr Moore exhibits further website material, DMr4 and 5, which it is said, suggest a link between the proprietor's smartstore website and the applicant's goods.

15. That concludes my review of the evidence.

## DECISION

16. At the hearing, the parties' representatives dealt with the relative grounds issues first. I will do the same commencing with Section 47(2)/5(2)(b). These sections read:

Section 47

"(2) The registration of a trade mark may be declared invalid on the ground -

- (a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or
- (b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration."

and Section 5

"(2) A trade mark shall not be registered if because -

- (a) .....
- (b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark."

17. It is accepted that I must follow the well established guidance provided by the European Court of Justice (ECJ) in *Sabel BV v. Puma AG* [1998] E.T.M.R. 1, *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc* [1999] RPC 117 and *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V.* [2000] F.S.R. 77 and *Marca Mode CV v Adidas AG* [2000] E.T.M.R. 723.

18. Mr Brandreth based his submissions on two of the applicant's registrations, Nos. 140186 and 140236 for, respectively, the word SMART (solus) and that same word in stylised form. Mr Slater accepted that identical goods were involved. The two areas of disagreement were the level of similarity between the respective marks and the reputation attaching to the applicant's mark through use. The latter feeds into my assessment of the distinctive character of the applicant's SMART mark and in turn the assessment of likelihood of confusion on the basis that there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character per se or because of the use that has been made of it. Assessing the distinctive character of the applicant's mark is both a useful and necessary starting point for the decision.

19. Mr Slater referred me to my findings in a previous invalidation action (Exhibit DM7) involving the same applicant group but a different registered proprietor. His view was that, as was found in that case, the evidence did not support a claim to an enhanced degree of distinctiveness and that I should, therefore, treat SMART in effect as an unused mark.

20. In that earlier case I dealt with the mark (No. 140236 in that case) in the following terms:

“18. It is purely a dictionary word and has in my view an inherently low degree of distinctive character for the goods at issue. In modern usage the word can be used to mean something that is technically advanced/clever/intelligent – a smart card or smart bomb for instance. But there is no evidence before me that it is so used in the motor trade. Thus, [Counsel for the registered proprietor's] suggestion that it might refer to 'something clever' such as traction control or ABS is unsupported by evidence (more likely such features would be referred to by name). There is also the potential laudatory signification of the word either applied to cars or their buyers. There may be some slight force to that point. The upshot is that, as an unused mark, SMART is likely to have a relatively small penumbra of protection. However the validity of the applicants' CTM registration has not been challenged and I have no doubt that it is the word that carries the registration and not the minimal amount of stylisation.”

21. So far as the inherent characteristics of the word SMART are concerned, nothing that I have seen in the evidence or heard in submissions persuades me that that view of the matter needs to be materially adjusted as at the material date in these proceedings (which is some three and a half years later than the filing date of the mark in the earlier case).

22. As I have said, Mr Slater was dismissive of the capacity of the applicant's evidence to improve the low level of distinctiveness inherent in the word SMART. His main reasons for coming to this view were that the official launch of SMART cars in the UK did not take place until October 2000; only four sales centres were opened by the material date; prior to October 2000, and for a period after that date, the sales consisted of or included parallel imports (or unauthorised imports as Mr Slater characterised them); promotional expenditure of half a million pounds by the material date was not large in the motor trade; and some of the applicant's evidence related to the position and events after the material date.

23. The evidence is that the first sales of SMART cars did not take place until 1998 and it was 1999 before significant numbers were sold. Nevertheless the press articles that preceded the car's availability in the UK (see Exhibit DM8) suggests there was strong interest in it long before it appeared on British roads. It is variously described as “revolutionary” (Autocar

February 1995), “the first car of the 21<sup>st</sup> century” (Autocar November 1995) and “the radical Smart car” (Autocar November 1995) etc.

24. The clear impression is that its design as a compact city car was different to anything else on the market at the time and by February 2001 it had generated press coverage and consumer awareness in excess of what might have been expected from the sales volumes alone.

25. Turning to those sales figures, Mr Slater doubted whether ‘unauthorised imports’ could contribute to reputation. Mr Brandreth suggested that what mattered was the effect on consumer perception and that it was irrelevant whether the sales took place through official or unofficial channels. I accept this latter view of the matter. There is no doubt that both the official imports and parallel imports related to cars from a single trade source and that consumers would have understood this to be the case. I consider, therefore, that I am entitled to take into account the totality of sales in reaching a view on the distinctiveness attaching to the mark SMART in February 2001.

26. The fact that parallel imports existed for some 3/4 years prior to the formal launch of the SMART car in the UK is, in my view, a point in the applicant’s favour when assessing reputation. Parallel imports would have been unlikely to take place if the dealers concerned did not think there was awareness of, and a market for, the car in this country.

27. There are other indicators too that point to consumer awareness of the SMART car by February 2001. The vehicle featured strongly at the London Motor Show according to an article from Mini Magazine said to be dated January 2000. By reference to this and the previous article it seems this was the London Motor Show which ran from 20 – 31 October 1999. The registered proprietor’s own website (as at 1 February 2001) refers to the “popular Smart design”. Even allowing for some advertising hyperbole the web page appears to take awareness of the brand as read. As early as September 1999 a Mr Tegerline, the managing director of Smart Car UK, an unauthorised dealer and importer, is reported as saying that his company handles “around 600 enquiries a day”. Again some allowance must be made for inexactitude or the possibility that it is a self-serving statement but it cannot be dismissed out of hand and points to a material level of awareness.

28. Taking the evidence in the round I differ from the registered proprietor’s position and find that at the relevant date the applicant was entitled to claim that its mark enjoyed an enhanced degree of distinctive character through use. In relation to cars, by February 2001, it meant and was entirely distinctive of, the applicant’s vehicle.

29. Before comparing the respective marks I should also comment on the distinctive character of the registered proprietor’s mark, SMARTSTORE in its stylised form. Mr Brandon has this to say about the mark:

“12. When my Company decided to register its trade mark **Smartstore**, our Trade Mark Attorneys indicated that the application might encounter an objection that the mark was not distinctive for motor vehicles because the word “smart” in combination with the word “store” is descriptive of a store which makes smart or clever sales. However, our Trade Mark Attorneys advised us that the letter “S” in its distinctive orange script with the rest of the mark in lower case gave the mark an overall distinctive character which they hoped would qualify the mark for registration. In the

event the Trade Marks Registry agreed, the mark was registered and, of course, this is the form in which my Company uses **Smartstore.**”

30. In his submissions at the hearing Mr Slater maintained the position that SMART was considered to be descriptive or non-distinctive and that it was the words in combination allied to the distinctive script and the colour combination that gave the mark its distinctive character.

31. The form of presentation, particularly the enlarged S and colour combination, makes a small contribution to the overall character of the mark. But these elements are not particularly out of the ordinary and do not in my view detract significantly from the fact that it would be seen and remembered as a SMARTSTORE mark. I regard the mark as being of average distinctiveness in relation to the goods of the registration.

32. It is well established that comparison of marks must be made on the basis of visual, aural and conceptual similarities and differences and that the matter is to be considered from the perspective of the average consumer who is deemed to be reasonably well informed, reasonably circumspect and reasonably observant. In this case the average consumer is any member or prospective member of the car buying public or fleet/corporate buyers. Cars are likely to be purchased on the basis of a careful consideration and inspection (or at least visual appraisal through promotional literature). Visual considerations are likely to outweigh aural ones though doubtless some word of mouth recommendation and oral ordering takes place.

33. There can be little argument that the registered proprietor’s mark breaks naturally into two words, the first of which corresponds to the applicant’s mark. To that extent it can be said to take the whole of the applicant’s mark. Competing considerations come into play when this state of affairs exists (see, for instance, *10 Royal Berkshire Polo Club Trade Mark*, [2001] RPC 32, *Cardinal Place Trade Mark*, BL O/339/04 and the Court of First Instance’s judgment in Case T-22/04 (*Westlife and West*)).

34. Visually, the marks are similar to the extent that the element SMART is present in both marks as the first or only element. But this is countered by the fact that the registered mark is a much longer word and has the additional features of styling. Similar considerations apply in relation to aural comparison save that the presentational features are unlikely to be referred to in oral references to the registered mark.

35. Conceptually SMART qualifies STORE and emphasises the importance of the noun. In the context of the sale of goods STORE is unlikely to be particularly distinctive, a point that I do not understand the registered proprietor to strongly contest. It is not perhaps a term that is commonly used in the car trade but I am aware of organisations calling themselves car supermarkets so the use of terms from other areas of retailing does not involve a particularly high degree of invention.

36. My overall conclusion is that the respective marks share certain similarities but are not similar to an appreciable extent if one were to consider the matter on the basis that they were unused marks. But likelihood of confusion must take into account acquired as well as inherent distinctiveness. The reputation attaching to the applicant’s mark through use has improved the modest credentials of the mark SMART and made it distinctive of smart gmbh. That is a factor that must be weighed in the balance, along with identity of goods, in reaching a conclusion on the matter.

37. There are other factors present that it is appropriate to take into account in the global appreciation. The main ones are:

- the registered proprietor is a retailer of SMART cars. It sells other brands of cars as well but there are website pages devoted to the applicant's vehicle (see for instance the first page of DM4 under the smartstore.uk.com heading entitled "introducing the smart car revolution");
- the applicant has also pointed to the metatag links and references on the smartstore website to it being "the only place to buy the most innovative small car available today" and the reference in DMr5 to "our brilliant Smart Car". Such references are apt to further reinforce the association between the retail services and the applicant's car;
- the proprietor's web page dated 12 March 2004 contains a reference headed 'Important Note' which reads "Smartstore are independent and in no way associated with or affiliated to MCC Smart GmbH". I do not know whether that note was inserted in an attempt to deflect the current proceedings. The fact that the registered proprietor saw fit to insert it can be construed as an acknowledgement that, without it, there is likelihood that consumers will assume a connection in trade between the provider of the retail service and the goods in question.

38. These additional factors relate to the proprietor's existing trade as a retailer of motor vehicles. But, the registration is for the goods themselves not a retail service. Normal and fair use would include applying the mark to, or using it in relation to, motor vehicles. The likelihood of confusion would be significantly increased if the mark was used on or in relation to identical goods.

39. Mr Slater made two submissions which he suggested should be factored into my overall appreciation though I do not understand him to say that they should be determinative of the matter.

40. The first point is that the Registrar did not refuse the application under Section 5(2)(b) on the ground of conflict with any of the applicant's earlier trade marks. Nor did the applicant oppose the application at the appropriate time. I can give no weight to this submission. I do not know what factors the Registry's examiner may or may not have considered at the examination stage but that position is in principle irrelevant once a challenge is raised in invalidity proceedings. This action must be considered on its merits. The Act also provides for holders of earlier trade marks or earlier rights to be able to raise objections either through the opposition procedure or through a post-registration invalidity action. Again, once the latter process is engaged the case must be considered on its merits. It cannot be to an applicant's disadvantage that it failed to lodge an opposition.

41. Mr Slater's second point was that there had been no instances of confusion despite the parties' concurrent trading. Mr Brandreth countered, by reference to *Neutrogena Corporation and Another v Golden Limited and Another* [1996] RPC 473, that evidence of actual confusion is not accessory for the tribunal to decide in favour of an opponent or applicant for invalidity. That must be the case not least because in many Registry

proceedings one or other party's mark is unused so by definition there can have been no actual instances of confusion. Nevertheless, if two traders are shown to have conducted their trade concurrently to the same or an overlapping group of customers the absence of instances of actual confusion is a factor that the tribunal should weigh in the balance.

42. I am not persuaded that the absence of evidence of confusion is telling here. The main reason being that all the evidence points to the registered proprietor using the mark in relation to a retail service. It is true that Mr Brandon says (paragraph 4) that SMARTSTORE is used in relation to motor vehicles. But the evidence tells a different story. What I have to consider is the likelihood of confusion assuming normal and fair use of the mark SMARTSTORE in relation to vehicles and not just a retail service.

43. In the event I have come to the clear view that the application for invalidity should succeed under Section 47(2)/Section 5(2)(b).

44. My finding under Section 5(2)(b) effectively decides the matter. I propose to give brief consideration only to the remaining grounds in case the matter goes to appeal.

45. The applicant's case under Section 47(2)(b)/5(4)(a) is based on the law of passing off. There is no dispute between the parties as to the test that must be applied. Mr Slater's skeleton argument identified *Reckitt & Coleman Products Ltd v Borden Inc and others* [1990] RPC 341 and *Wild Child Trade Mark* [1998] RPC 455 as setting out the necessary ingredients of the action in terms of goodwill, misrepresentation and damage. Mr Slater submitted that none of the three legs had been made out. Mr Brandreth submitted the contrary position. It must follow in the light of my finding in relation to the evidence under Section 5(2)(b) that the applicant is possessed of the necessary goodwill and that there will be a misrepresentation leading to damage. The applicant also, therefore, prevails under Section 5(4)(a) though I accept that success under this head does not always or necessarily lead to a similar conclusion as under Section 5(2).

46. Turning to the objection under Section 47(1)/3(6) this is based on the claim that the application was made in bad faith. I indicated at the hearing that I doubted whether the nature of the objection had been made clear. The applicant's statement of grounds submits that "the proprietor is involved in the retail of SMART vehicles and has no *bona fide* intention to use the mark in relation to the manufacture of goods in Class 12".

47. The purported objection as framed therefore related to the absence of intention to use in relation to the manufacture of goods rather than in relation to goods as such. There is no requirement that a trader in goods must manufacture the goods traded under his mark. Thus a supermarket is perfectly entitled to protect the sale of own brand goods by registration in the goods classes in addition to whatever protection it might separately enjoy in relation to its retail service activities.

48. The registered proprietor responded in its counterstatement by confirming that it was not involved in the manufacture of motor vehicles but used its mark on and in relation to the goods for which it is registered.

49. The matter has progressed through the evidence rounds with Mr Moore's first witness statement indicating that:

“3. ....The Proprietor has at no material times manufactured and / or sold any own-branded “*land motor vehicles and parts and fittings therefor*”. In fact, it can be seen, both from further archived websites, e.g. 1<sup>st</sup> February, 5<sup>th</sup> April and 13<sup>th</sup> August 2001, collectively marked **Exhibit DM6**, and the current 12<sup>th</sup> March 2004 website (**Exhibit DM5**) that the Proprietor uses only original Smart parts and accessories, i.e. parts and accessories manufactured by the Applicant. It is submitted that, at the date of application, 12<sup>th</sup> February 2001, the Proprietor had and still has no *bona fide* intention to use the mark in relation to the manufacture of goods falling in class 12 since their activities are confined to retailing vehicles from a variety of manufacturers.”

50. That statement continued to place the thrust of the applicant’s objection on the fact that the registered proprietor did not manufacture the vehicles it was selling. It was picked up and responded to by Mr Slater in his evidence for the registered proprietor:

“2..... Mr Moore seems to be suggesting that registration of a trade mark for “*land motor vehicles and parts and fittings therefor*” requires the registered proprietor to use, or intend to use, the registered mark on manufactured goods. However, the Trade Marks Act 1994 provides only that the trade mark must be put to genuine use in relation to the goods or services for which it is registered. The registered proprietor uses its trade mark **Smartstore** to retail motor vehicles to its customers and that is genuine use of the mark in relation to the goods for which it is registered.”

51. Mr Moore’s reply evidence refers to the change of Registry practice in 2000 resulting in retail services being eligible for registration and suggests that the registration under attack was filed after this time and should, therefore, have been applied for in Class 35. But paragraph 9 of the witness statement again concludes with the claim that “the Proprietor had no *bona fide* intention to use the mark in relation to the manufacture of goods in Class 12” (my emphasis).

52. Mr Brandreth submitted that, despite the wording used, it was apparent to all concerned what the nature of the objection was, that is to say no intention to use the mark in relation to the goods of the registration (rather than no intention to use the mark in relation to the manufacture of Class 12 goods).

53. The need for precision and clarity in a party’s pleaded case has been emphasised in a number of reported cases. The following is from *Julian Higgins’ Trade Mark Application* [2000] RPC 321:

“If the pleadings do not identify the right issues, the issues the parties propose to argue about, then it cannot be expected that with any consistency the right evidence will be adduced at the hearing. The pleadings are supposed to identify the issues to which evidence will be directed. If the pleadings do not properly identify the issues someone, sooner or later, is going to be taken by surprise.”

and this from *Demon Ale Trade Mark* [2000] RPC 345:

“Considerations of justice, fairness, efficiency and economy combine to make it necessary for the pleadings of the parties in Registry proceedings to provide a focused statement of the grounds upon which they intend to maintain that the tribunal should or should not do what it has been asked to do. The statement should not be prolix. It

should, however, be full in the sense indicated by Mr Simon Thorley Q.C. in *COFFEEMIX Trade Mark* [1998] R.P.C. 717 at 722:

“It must be full in the sense that it must outline each of the grounds ... relied upon and state the case relied upon in support of those grounds. It should be as succinct as possible, but it must be complete”.

54. Whilst it may be arguable from the wording used in the passages quoted above from the pleadings and evidence to discern a more broadly based objection, the persistent references to lack of intention to use in relation to the manufacture of goods at the very least resulted in ambiguity as to the nature and scope of the objection the registered proprietor was facing. That state of affairs seems to me to be inconsistent with above guidance on the need to provide properly focussed grounds. Nor has there been any request to amend the pleaded case to clarify the nature of the objection. On that basis the objection under Section 3(6) falls to be dismissed.

55. If, on appeal, I am found to be wrong in coming to the above view then the issue is whether the applicant has made out its case that the registered proprietor had no intention to use its mark in relation to Class 12 goods as opposed to retail services or retail advisory services.

56. Mr Brandreth referred me to the findings of the Appointed Person in *Ferrero SpA's Trade Marks* [2004] RPC 29:

“23. .... *Gromax* makes it clear that bad faith is not limited to cases involving actual dishonesty and includes some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the area being examined. Section 32(3) of the Act requires an applicant for registration to state that the trade mark in issue is being used by the applicant with his consent in relation to the goods or services in relation to which it is sought to be registered, or that the applicant has a bona fide intention that it should be so used. In so far as the applicant makes a materially false statement in this regard then I believe that the application is made in bad faith.”

57. *Demon Ale Trade Mark* [2000] RPC 345 is a further example of an objection being sustained under Section 3(6) in circumstances where the applicant had been shown to have no intention to use the mark in question on or in relation to the goods of the application.

58. In this case I note that Mr Brandon says (paragraph 4 of his witness statement) that his company “does use its trade mark **Smartstore** in relation to motor vehicles, the goods for which the mark is registered”. It is reasonable to infer that he regards the evidence filed in these proceedings as being indicative of that use. That evidence is mainly to be found in his own Exhibit CB2 along with Exhibits DM4 to 6 and DMr4 and 5 to Mr Moore's witness statements. None of these exhibits persuade me that SMARTSTORE is being used or is in future intended to be used on or in relation to vehicles. Exhibit CB2 may either be construed as newsletter use (and hence Class 16) or use in support of the retail/retail advisory service. Mr Moore's exhibits confirm that the proprietor's use is in relation to the provision of a service e.g. “Welcome to Smartstore. The place to buy the most innovative small car available today.” So far as is apparent from this material the vehicles themselves bear third party brands.

59. There has been some discussion in the margins of the case about registrations in Class 12 held by other car dealerships. Without further information on the activities of these organisations I do not think it is profitable to engage in debate about their registrations. I accept that there is no reason in principle why a car retailer/distributor should not in appropriate circumstances also qualify for a goods registration. There will no doubt be examples of traders whose activities span both goods and services. However, on the facts of the case before me I would have been minded to find against the registered proprietor under Section 3(6)/32(3) if I had been satisfied that the nature of the objection had been made with sufficient clarity. As matters stand and for the reasons given above I am not so satisfied.

60. The application has succeeded under Section 47(2)/5(2)(b). In accordance with Section 47(6) the registration will be deemed never to have been made.

### **COSTS**

61. Mr Slater submitted that my costs award should make allowance for the fact that certain parts of Mr Moore's evidence related to events after the relevant dates and that it had required some effort to sift this material. There is some force to this argument but the same charge may equally be levelled at the registered proprietor's own evidence. Furthermore, the largest single exhibit in Mr Moore's evidence requiring detailed analysis (the press cutting material at DM8) has a front sheet setting out a summary of its contents in chronological order. Identifying the relevant cut-off date was, therefore, a straightforward matter. I do not propose to make any adjustment to the costs award to reflect these circumstances.

62. I order the registered proprietor to pay the applicant for invalidity the sum of £2200. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

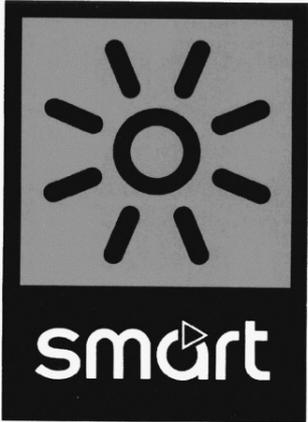
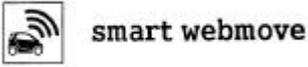
**Dated this 30<sup>th</sup> day of November 2005**

**M REYNOLDS  
For the Registrar  
the Comptroller-General**

**ANNEX**

Details of the marks relied on by the applicant:

<b>No.</b>	<b>Mark</b>	<b>Class</b>	<b>Specification</b>
1058999 (CTM)	SMARTSTER	03	Cosmetics, eau de toilette, shaving lotions and hair lotions; perfumery, essential oils, soaps, room sprays, dentifrices, nail polish, nail care preparations, lipsticks, eyebrow pencils, mascara.
		09	Sound and image carriers, namely cassettes, audio tapes, compact discs, video cassettes; spectacles, spectacle frames, spectacle cases; compasses.
		12	Vehicles and parts therefor (included in class 12).
		16	Printed matter, pictures, posters, pamphlets, periodicals.
		18	Handbags, briefcases, shopping bags, rucksacks, trunks and travelling bags, umbrellas and parasols, covers, pocket wallets, purses.
		25	Clothing, namely T-shirts, neck ties, gloves, anoraks, ponchos, jackets, waistcoats, sweaters, polo shirts, scarves, belts; footwear; headgear, namely hats, caps, helmets, caps for drivers of convertibles.
		37	Motor vehicle maintenance and repair.

1665074 (CTM)		07  12  39	Automobiles and parts therefore (included in class 7).  Automobiles and parts therefor (included in class 12).  Transport of persons and goods by vehicle; arranging of transport; arranging of vehicles.
2086353 (CTM)		07  09  12  35  37  38  39  41  42	Machines for the manufacture and repair of land, air and water vehicles.  Apparatus for recording, transmission or reproduction of sound or images, data processing equipment and computers.  Vehicles; apparatus for locomotion by land, air or water.  Advertising; business management services; business administration; office functions.  Vehicle diagnosis and maintenance, maintenance of the electronic functions (software) of vehicles; the aforesaid services by means of electronic communications (e-repair).  Telecommunications.  Transport, travel arrangements.  Training, entertainment, sporting and cultural activities.  Providing of food and drink; temporary accommodation; medical care, hygienic and beauty care, computer programming.
2086288 (CTM)	SMART WEBMOVE	07  09	Machines for the manufacture and repair of land, air and water vehicles.  Apparatus for recording, transmission

			or reproduction of sound or images, data processing equipment and computers.
		12	Vehicles; apparatus for locomotion by land, air or water.
		35	Advertising; business management services; business administration; office functions.
		37	Vehicle diagnosis and maintenance, maintenance of the electronic functions (software) of vehicles; the aforesaid services by means of electronic communications (e-repair).
		38	Telecommunications.
		39	Transport, travel arrangements.
		41	Training, entertainment, sporting and cultural activities.
		42	Providing of food and drink; temporary accommodation; medical, hygienic and beauty care, computer programming.
2038126 (UK)	MCC SMART	12	Motor vehicles; parts of motor vehicles.
		37	Services relating to the upkeep, repair, servicing, maintenance, care, cleaning and restoration of vehicles; installation services for parts of vehicles.
		39	Transport services for passengers and freight; vehicle transport services; arrangement of travel; services relating to vehicle leasing, hire or rental; but not including bus passenger transport services and travel services relating thereto.
		41	Educational services relating to transport and traffic management; driving and road safety training services.

		42	Services relating to technical and scientific surveys related to motor vehicles or the motor trade; provision of temporary accommodation for guests; services for the care of guests, travel agency services; services relating to the provision of parking places for vehicles.
140236 (CTM)	<b>smart</b>	12	Vehicles and parts therefor (included in class 12).
		36	Insurance brokerage, including legal expenses insurance, hire-purchase of motor vehicles; clearing of bills in relation to replacement vehicles for hire-purchase or rented vehicles.
		37	Car maintenance, in particular cleaning, servicing and repair, including the replacement of all parts and accessories necessary to maintain operating ability.
		39	Arranging replacement vehicles for hire-purchase or rented vehicles, arranging of parking places for motor vehicles, transport of passengers and goods and motor vehicles; travel arrangement and organisation, arranging of motor vehicle transport.
		41	Driving and safety instruction, training in the field of driving.
		42	Temporary accommodation and providing of food and drink, technical consultancy and surveying, providing hotel accommodation.
840231 (CTM)	SMART & PURE	12	Vehicles and parts therefor (included in class 12), except airbags and car safety devices.
		37	Motor vehicle maintenance and repair.
840256 (CTM)	SMART & PULSE	12	Vehicles and parts therefor (included in class 12), except airbags and car safety devices.
		37	Motor vehicle maintenance and repair.

840264	SMART & PASSION	12	Vehicles and parts therefor (included in class 12), except airbags and car safety devices.
		37	Motor vehicle maintenance and repair.
1238575 (CTM)	SMART & PROFESSIONAL	12	Automobiles and parts therefor (included in class 12).
1434232 (CTM)	SMARTVILLE	12	Automobiles and parts therefor, included in class 12.
140186 (CTM)	SMART	12	Vehicles and parts therefor (included in class 12).
		36	Insurance brokerage, including legal expenses insurance, hire-purchase of motor vehicles; clearing of bills in relation to replacement vehicles for hire-purchase or rented vehicles.
		37	Car maintenance, in particular cleaning, servicing and repair, including the replacement of all parts and accessories necessary to maintain operating ability.
		39	Arranging replacement vehicles for hire-purchase or rented vehicles; arranging of parking places for motor vehicles, transport of passengers and goods and motor vehicles, travel arrangement; arranging of motor vehicle transport.
		41	Driving and safety instruction, training in the field of motoring.
		42	Temporary accommodation and providing of food and drink, technical consultancy and surveying, providing hotel accommodation.