

TRADE MARKS ACT 1994

APPLICATION No 2053902 BY FASTBECK LIMITED

AND

**OPPOSITION THERETO UNDER No 47490 BY
GISS LICENSING BV AND FORMULA ONE
ADMINISTRATION LIMITED (JOINT OPPONENTS)**

**IN THE MATTER OF A PRELIMINARY DECISION IN
RESPECT OF A REQUEST BY THE OPPONENTS TO
HAVE EVIDENCE ADMITTED AND AN AMENDMENT
TO THE STATEMENT OF GROUNDS**

TRADE MARKS ACT 1994

Application No 2053902 by Fastbeck Limited

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**Opposition thereto under No 47490 by
Giss Licensing BV and Formula One
Administration Limited (Joint Opponents)**

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**IN THE MATTER OF a preliminary decision
in respect of a request by the opponents to have
evidence admitted and an amendment to the
statement of grounds**

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The Issues

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The main hearing in relation to these proceedings was set down for 24 October 2000. Shortly before the hearing the opponents sought leave to amend their statement of grounds. The opponents had also been given an opportunity to file evidence in reply to further evidence from the applicants admitted into the proceedings at an interlocutory hearing on 11 October 2000. Part of the resulting evidence filed by the opponents was objected to by the applicants as was the request to amend the statement of grounds. These two issues, therefore, fell to be determined as preliminary matters at the hearing on 24 October. At that hearing the applicants were represented by Mr I Bartlett of Beck Greener, Trade Mark Attorneys and the opponents by Mr J Mellor of Counsel instructed by McDermott, Will & Emery, Solicitors.

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After hearing submissions I decided that the amendment to the opponents' statement of grounds should be allowed. I also admitted part of the opponents' disputed evidence but rejected the remainder. Following a short adjournment to allow the opponents to consider their position Mr Mellor indicated that they wished to lodge an appeal against my decision insofar as I had not admitted the whole of their evidence. In the circumstances I decided that the main hearing should not take place until the result of the intended appeal is known. In order that the opponents can progress that appeal I now give the reasons for my decision. For the sake of completeness I will cover both the preliminary issues that were dealt with.

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THE EVIDENCE ISSUE

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Background

The application in suit is for the mark F1 GRAND PRIX CAFÉ and was filed on 24 January 1996. It covers a range of goods in Class 25 and services in Class 42. The application was published for opposition purposes in Trade Marks Journal No 6179 on 11 June 1997. Giss Licensing BV and Formula One Administration Ltd (jointly) filed opposition on 8 September 1997.

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Thereafter the opponents filed their evidence in chief on 3 June 1998 and the applicants theirs on 8 March 1999. The opponents' evidence in reply was filed on 8 June 1999. Both sides indicated by letters dated 22 July 1999 that they wished to be heard on the matter. By letters dated 20 June 2000 the Registry indicated that the hearing date had been set for 24 October 2000. There matters rested until a letter (dated 23 August 2000) was received from the applicants asking for leave to file further evidence. The applicants indicated in the letter that they were happy to allow the opponents an opportunity to file evidence in reply. In the event the Registry gave a preliminary view that the reasons given in support of the request were insufficient. As a result the applicants confirmed by letter of 14 September 2000 that they wished to be heard on this matter.

As the date set for the main hearing was fast approaching an early date was arranged for an interlocutory hearing to determine whether the applicants' further evidence should be admitted. That hearing took place on 11 October before another Hearing Officer. His decision was to admit certain parts of the applicants' further evidence and to reject the remainder. In doing so he allowed the opponents seven days (until 18 October 2000) to file evidence in reply to that part of the applicants' further evidence that had been admitted into the proceedings. On 18 October 2000 the opponents duly filed a statutory declaration by Laurence Leader along with five exhibits. By letter dated 19 October 2000 the applicants objected to certain parts of that evidence being admitted. That issue was therefore before me for determination as a preliminary point at the (subsequently postponed) main hearing. The opponents now ask for a full statement of reasons for my decision not to admit part of their evidence.

The applicants' further evidence

As the evidence that was before me for consideration as a preliminary matter on 24 October was in reply to further evidence from the applicants (admitted at the interlocutory hearing on 11 October) it is necessary to refer briefly to that evidence. It consisted of a statutory declaration by Jonathan Stephen Silverman, a solicitor in the employment of Beck Greener, the applicants' Trade Mark Attorneys. The main purpose of the declaration was to introduce into the proceedings two exhibits:

JSS1 - a copy of an agreement between the applicants and Accor SA, the successor in title to and therefore the owner of two UK trade mark registrations which had previously formed the basis of a separate opposition to the current application

JSS2 - a letter of consent from Accor in relation to the current application

The background to this is that part of the evidence in chief filed on the applicants' behalf by one of their directors, Stavros Christou Kazolidis, commented on what was considered to be the opponents' relatively recent interest in restaurant etc services and the fact that they (the applicants) had reached agreement in principle with a third party, Société d'Investissement et d'Exploitation des Hotels Formule 1 (now Accor) in relation to the separate opposition. At the time Mr Kazolidis' evidence was filed it was said that "... an amicable settlement has been

reached in principle which will allow our respective marks to co-exist. A formal co-existence agreement is currently under consideration by Formule 1". In admitting part of the applicants' further evidence the Hearing Officer expressed himself in the following terms in his confirmatory letter of 16 October:

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"In summary, I agreed to allow the admission of the exhibits covering the agreement between the applicants and Accor SA (Exhibit JSS1) and the letter of consent from Accor SA (JSS2), notwithstanding the lack of an acceptable explanation for the delay, as it completed the story with regard to statements made in earlier evidence and its admission was not objected to by the opponents."

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The remainder of the applicants' evidence/exhibits was rejected. It is the above mentioned material, therefore, to which the opponents were invited to respond.

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The opponents' evidence in reply

The evidence in reply filed by the opponents comes from Laurence Leader who co-ordinates licensing activities for Formula One Management Limited, a wholly owned subsidiary of Formula One Administration Limited (one of the joint opponents). His declaration runs to nineteen paragraphs and has five exhibits. Its contents can be summarised as follows:

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Paragraph 1 - introductory remarks

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Paragraphs 2 and 3 - confirms the declarant's familiarity with Mr Silverman's evidence and comments on arguments said to have been advanced by the applicants at the 11 October hearing in support of the admission of their evidence

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Paragraph 4 - provides an update on the status of companies referred to in evidence submitted on the applicants' behalf by Joanna Clayre Lowther and designed to show that other companies use the names FORMULA 1/F1

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Paragraphs 5-14 - contains evidence and argument in relation to the significance of, and use of, FORMULA 1/F1 designations; details of attendance at and TV coverage of Formula 1 Grand Prix events; the association of other well known marks with Formula 1 as part of sponsorship or licensing activities; the commercial value of Formula 1/F1 marks; the approach adopted to the protection of rights arising from use of the marks; a breakdown of third party activity by product service area and the opponents' position in relation thereto

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Paragraph 15 - sets out the position specifically in relation to the hotels area and in particular Accor's use

- Paragraph 16 - puts forward claims in relation to the opponents' use (or licensed use) in relation to areas of goods and services covered by the application in suit
- 5 Paragraph 17 - provides further commentary on Accor's position
- Paragraph 18 - provides information on the provisions of restaurant and catering facilities at Grand Prix race meetings including specifically the "Formula One Paddock Club" restaurant
- 10 Paragraph 19 - concluding remarks

The following exhibits are supplied in support of the declaration:

- 15 LL1 - a listing of businesses/companies using Formula One/Formula 1/F1 based on Ms Lowther's original evidence and showing updated trading status information particularly with the material date in the proceedings in mind
- 20 LL2 - examples of press and publicity material showing well known marks used in connection with motor racing
- LL3 and 4 - information on Accor's business in the UK and a copy of their brochure
- 25 LL5 - photocopies of pictures showing signage etc for the Formula One Paddock Club.

DECISION

30 At the hearing Mr Mellor suggested that in responding to what I will for ease of reference call the applicants' Accor evidence it was necessary to consider the issues raised by that evidence and to put it into context by looking more widely at the position in relation to the Class 42 services including the opponents' position. In particular it was said that the Accor material was evidence of use of a Formula 1 or Formule 1 mark in contrast to other parts of the

35 evidence which deal with the position in relation to the Company's register and the Trade Marks' register. Mr Mellor suggested that as this was the first time such evidence had come in the opponents should have an opportunity to respond. The opponents also wished to provide updating information on the issues dealt with in the applicants' evidence relating to the genericism or otherwise of Formula 1 (or variations thereof) and in particular the trading

40 status of the other companies/businesses using Formula 1/F1 (previously commented on in Ms Lowther's and Mr Dorrett's evidence). In Mr Mellor's submission the opponents should have an opportunity to update the position in this respect just as the applicants had been allowed an opportunity to update the Accor evidence.

45 The applicants' position was that the Accor evidence was simply to complete the story and was evidence that there was another trader providing services similar to those of the applicants and seemingly operating without objection from the opponents. Mr Bartlett's view was,

therefore, that the evidence submitted by the opponents went wider than responding to the narrow point dealt with in the applicants' further evidence.

My understanding of the position following the interlocutory hearing on 11 October is that the opponents were offered an opportunity to file evidence in reply to the further evidence that was admitted. The issue of what constituted evidence in reply was considered in Peckitt's Application (a patent case) 1999 RPC 337. The relevant headnote records the position as follows:

*"(12) Evidence "strictly in reply" must not be evidence of a sort which would give cause for the other party to put in further evidence on a substantive issue and must not involve a departure from a case put in chief. It might, however, comment upon the other party's evidence with the aim of finality and the fixing of a hearing at an early stage. If it neither altered nor strengthened the party's case and was not such as to prolong the pre-hearing procedure by justifying another round of evidence from the other party, it should be allowed to stand. (paras 57-64, 66)
Ford Motor Co. Ltd (Nastas's Application [1968] R.P.C. 220 at 225 line 37 (Lloyd-Jacob J.), and Ernest Scragg & Sons Ltd's Application [1972] R.P.C. 679 AT 682 (Graham J.), applied."*

Mr Leader's declaration takes as its starting point arguments advanced by the applicants in support of their request to have their further evidence admitted at the 11 October hearing. However it is clear from the Hearing Officer's decision that the arguments put forward at that hearing did not persuade him to admit all the evidence that was before him only the Accor evidence (the agreement between Accor and the applicants and the letter of consent) which was not available at the time the applicants' evidence in chief was submitted. I note too that the statutory declaration covering these documents does not itself offer further commentary or argument as to the significance of the evidence. The only additional piece of information to emerge is a factual matter namely that "Accor SA is the successor in title to Societe d'Investissement et d'Exploitation des Hotels Formule 1" (the proprietor of the trade marks in the now withdrawn opposition). That evidence does not in my view raise any new issue or line of defence.

With those observations in mind and taking account of the submissions I came to the view that the material submitted by the opponents goes considerably wider than evidence in reply. In general terms I do not regard the Accor evidence as raising any issues that would not have been apparent to the opponents when it was first raised in the applicants' evidence in chief nor, therefore, can the opponents realistically say that they are having to deal with possible new lines of argument. More specifically my reasons (by reference to the disputed paragraphs) can be summarised as follows:-

S paragraph 2 of Mr Leader's declaration deals with argument advanced by the applicants at the previous hearing rather than the evidence that was actually admitted

S paragraphs 6 to 14 largely consist of a restatement of evidence already filed or expand on such evidence by reference to sponsorship/licensing arrangements.

It also contains commentary on third party usage of Formula 1/F1 designations. It is not evidence in reply

5 S the claims made in paragraphs 7 to 9 about the association between Formula 1 and other well known marks arguably also contains new material. To the extent that this part of the evidence seeks to establish Formula 1's sponsorship link with companies such as Fosters, Molson and Moët (producers of drinks which are served in bars and restaurants) its relevance is doubtful. Alternatively if that understates its potential significance then it is evidence 10 which might cause the applicants to put in further evidence (contrary to the criteria set out in Peckitt's application)

15 S the analysis and commentary on other businesses using Formula 1/F1 descriptions (paragraphs 11 to 14) is again a reworking of and elaboration on material already filed and is not evidence strictly in reply to the Accor evidence

20 S paragraph 16 makes a number of assertions as to the opponents' own use by reference back to evidence already filed. It also deals with public perception without offering evidence in substantiation of the claims made. It is not evidence in reply or, if that is too narrow a view of the matter, would require the applicants to consider whether they needed to put in evidence of their own on the point

25 S paragraph 18 seems to me to be the most contentious area dealing as it does with the provision of restaurant and catering facilities at and around Formula 1 race circuits in particular by reference to the "Formula One Paddock Club". It is not in my view directly in reply to the evidence about Accor's agreement with the applicants but might be said to be relevant if I were to accept Mr Mellor's submission that it is legitimate to put the Accor evidence in context by 30 considering the wider position in relation to restaurants/catering services. However even if I were to adopt that rather more generous view of the matter I would still have a problem in that this appears to be new evidence rather than evidence in reply. For that reason (and bearing in mind also that Peckitt's application suggests that it may be permissible to repeat elements of a case put in chief) I invited Mr Mellor to identify which part of the opponents' own 35 evidence it related back to.

40 He drew my attention to a page in an exhibit and a paragraph (26) in the evidence of Nicholas Duncan Couchman and in particular the following references:

45 "... it is noteworthy that services provided at Formula One Grand Prix competitions or races have been excluded from the [applicants'] specification of goods and services"

and

5 "... It is possible, for example, that the Formula One authorities (including FOA) may plan to provide and/or license (and indeed have researched the possibility of, and have received several commercial proposals in respect of providing and/or licensing) restaurant or hotel services not merely at Formula One Grands Prix events (catering is already provided at Formula One Grand Prix races) but elsewhere in connection with such events."

10 Whilst it is true that the above paragraph makes a general claim about the provision of catering at Formula One races the comments fall a long way short of being a clear statement about the nature and extent of any such claim to use and make no mention of the Formula One Paddock Club as such. I do not consider that these comments would have been construed by the applicants as raising an issue they might need to address. Thus the paragraph 18 evidence if it were to be admitted would be further evidence and not reply evidence. I should, however, say that even if I were considering it as further evidence, and bearing in mind the guidance in Hunt-Wesson's Trade Mark application, 1996 RPC 233 (albeit that that was on appeal), the case for admitting this part of the evidence would in my view be very weak.

20 For the above reasons I decided not to admit paragraphs 2, 6 to 14, 16 and 18 of Mr Leader's declaration and with them exhibits LL1, LL2 and LL5. The remaining paragraphs and Exhibits are not objected to by the applicants and are admitted into the proceedings, that is to say paragraphs 1, 3 to 5, 15, 17 and 19 together with Exhibits LL3 and LL4.

25 **THE AMENDMENT TO THE GROUNDS**

30 By letter dated 19 October 2000 the opponents asked to amend paragraph 8 of their statement of grounds. The amendment relates to the ground based on Section 5(4) of the Act and more particularly by reference to the law of passing off. The ground as originally formulated refers only to the goods element of the applicants' specification and fails to mention the Class 42 services. The opponents want to correct that deficiency.

35 Mr Mellor pointed out that in denying the Section 5(4) ground the applicants' counterstatement claims that "the opponents have no right to prevent the use by the applicant of the mark in the opposed application for the products and services specified or any products or services" (my emphasis). Thus it is said the applicants appear to have treated this particular ground of objection as if it applied to the whole of their specification.

40 Although the applicants resisted the amendment their reasons for doing so (contained in their letter of 19 October 2000) appear to relate mainly to the lateness of the request rather than any quarrel with the substance of the amendment. I do not think the applicants have been taken by surprise by the amendment nor do I consider there is any prejudice to them in allowing it. The action has been conducted throughout on the basis that the opponents' objections relate to the Class 42 services as much as the Class 25 goods. The amendment is in my view clarificatory. It makes explicit what was already implicit. On that basis I allowed it. 45 As a result paragraph 8 of the statement of grounds will be amended to read as follows:

5 "8. *By reason of the above, registration of the application would be contrary to Section 5(4) of the Trade Marks Act 1994 as its use in the United Kingdom would be liable to be prevented by the law of passing off, in that commercial use in the United Kingdom of the Applicants mark on or in relation to the goods or services listed in the Applicant's specification, would be likely to cause consumers to be confused as to the origin of those goods and services and any of them and/or the existence of an official endorsement sponsorship or licence by the Opponents or either of them.*"

10 I regard the denial contained in the applicants' existing counterstatement as being cast in sufficiently broad terms that no corresponding amendment is necessary.

 I did not receive submissions on costs and consequently made no order in this respect.

15 **Dated this 22 day of November 2000**

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