O-533-14

TRADE MARKS ACT 1994

**IN THE MATTER OF TRADE MARK APPLICATION 3025795
BY AGNESE RIKMANE & MARK JAMES DAVIES
TO REGISTER THE FOLLOWING TRADE MARK IN CLASS 12:**

V W DERRINGTON

AND

OPPOSITION THERETO (NO 401412) BY VOLKSWAGON AG

Background and pleadings

1. On the 10 October 2013 Agnese Rikmane & Mark James ("the applicants") jointly applied for the trade mark **V W DERRINGTON** in respect of the following goods:

> **Class 12:** Automobile steering wheels; Automobile wheels; Fuel lines for vehicles; Motor cars for racing; Racing motor cars; Rearview mirrors [of automobiles].

The mark was published, for opposition purposes, in the Trade Marks Journal on 8 November 2013.

2. Volkswagon AG ("the opponent") opposes the registration of the mark on grounds under sections 5(2)(b) and 5(4)(a) of the Trade Marks Act 1994 ("the Act"). The opponent relies on the following marks/signs:

Under section 5(2)(b):

i) UK registration 1067310 for the mark **VW**. The mark was filed on 18 August 1976 and it completed its registration procedure some time in 1981 (the exact date does not matter). The mark is registered in respect of the following class 12 goods: "Motor land vehicles, and parts and fittings therefor included in Class 12".

ii) Community trade mark ("CTM") 1354216 for the mark **VW**. The mark was filed on 20 October 1999 and it completed its registration procedure on 31 May 2001. It is relied upon to the extent that it is registered for:

> **Class 12:** Apparatus for locomotion by land, air or water including their parts; vehicles and their parts, including automobiles and their parts; engines for land vehicles.
>
> **Class 37:** Construction, repair, dismantling and maintenance of vehicles including vehicle repair in the course of vehicle breakdown service, cleaning, servicing and varnishing of vehicles.
>
> **Class 39:** Transport including towing, taxi transport, car transport, arrranging of tours, rental of vehicles, especially automobiles, transport of people, especially by motor buses.

iii) CTM 703983 for the mark  which was filed on 12 December 1997 (claiming various seniority dates, the earliest being from 1 October 1986) and which completed its registration procedure on 28 January 1999. It is relied upon to the extent that it is registered for:

> **Class 12:** Vehicles; Apparatus for locomotion by land, air or water including their parts.

Class 37: Repair, especially repair and maintenance of vehicles; including; Vehicle repair.

Class 39: Transport; including; Towing; Car rental; Taxi transport; Car transport.

For this, and each of the other 5(2)(b) grounds, the following is the primary pleading:

"The applied for mark contains the trade mark VW and is similar to the Opponent's earlier trade mark and is sought to be registered for identical goods. There is a high likelihood of confusion in the minds of the public"

Under section 5(4)(a) of the Act:

iv) The sign **VW** which has been used in the UK since at least 1950 in respect of "motor land vehicles and their parts, fittings and accessories". The following is the primary pleading:

"The trade mark VW has been used in respect of motor land vehicles and their parts, fittings and accessories since at least as early as 1950 throughout the United Kingdom. There is a reputation and goodwill in the mark. Use of the applied for mark V W Derrington in relation to the goods in the application would be likely to lead consumers to believe that the goods had been made by the Opponent or with its permission, or were in some way connected with or authorised by the Opponent. This misrepresentation would lead to damage to the Opponent's goodwill and business and would amount to passing off. Use of the applied for mark in relation to the goods was liable to be prevented at the application date of the application in suit by virtue of the law of passing off."

v) The sign  , with the same pleading as above.

3. All the opponent's marks have dates of filing prior to the applied for mark and, thus, they all constitute earlier marks in these proceedings. All three of the earlier marks completed their registration procedures before the five year period preceding the date on which the applicants' mark was published, so meaning that the proof of use provisions are applicable as per section 6A of the Act. The opponent made a statement of use that the three earlier marks have been used in relation to the goods/services registered and/or relied upon.

4. The applicants filed a counterstatement denying the grounds of opposition. They did not put the opponent to proof of use. This means that the opponent is able to rely on its earlier marks for the goods and services for which they are registered and/or relied upon. Part of the defence is based upon:

"..the Company for which I am a Director has for many years traded under the name V.W. Derringon. It is a Limited Company, registered in England and Wales manufacturing aftermarket components for sports and racing cars. V.W. DERRINGTON has enojoyed a long history of business, in particular for being bespoke manufacturers of steering wheels and performance engine components for more than 60 years, supplying a worldwide market"

and

"There has never been an objection from Volkswagon in relation to the use of any or part of the use of the Company's trading name and contrary to the opposition statement at Q5 there has never, to our Company's knowledge, been any confusion in the minds of the public between the Mark's "V.W.Derrington" and "VW..."

5. Both sides filed evidence. Neither side requested a hearing. The opponent filed written submissions in lieu of a hearing, the applicants did not.

The evidence

The opponent's evidence

6. The evidence is given by Mr Florian Freiberg, the opponent's corporate counsel. I do not need to go through every aspect of Mr Freiberg's evidence. It is abundantly clear from his evidence that the opponent is one of the largest automobile manufacturers in the world (including the UK market). It has a number of brands, the relevant one for this opposition being VOLKSWAGON. The sales of Volkswagon automobiles in the UK is huge. As is common in the automobile industry, sales are made through a network of official dealers. I would likely have accepted all this on the basis of judicial notice, but the evidence makes it good anyway. It is also clear that the opponent uses the logo  ("the VW logo") on the front of cars and the VW logo is extensively used in the opponent's publicity materials.

7. What I will consider in more detail is the claimed use of the letters VW *per se*, and the use of those letters and the VW logo in relation to spare parts for automobiles. In relation to the former, Mr Freiberg states that VW is one of its three corporate marks which is used interchangeably with the other two (VOLKSWAGON and the VW logo). He states that the opponent is referred to as Volkswagon or VW by its customers, the media, car enthusiasts and the opponent's products are often referred to as VW plus a model name e.g. VW GOLF or VW POLO. However, when one considers the opponent's marketing material, it is difficult to find any use of VW *pe se*. A number of exhibits are provided by Mr Freiberg. Of those that make use of VW I note the following:

- A print from topgear.com dated 11 September 2007 reporting on the Frankfurt Car Show with the headline "VW on the Up!".

- A print from the same website dated 16 September 2009, again reporting on the Frankfurt Car Show, with the headline "VW L1 concept" (I also note a link to another report about the VW Golf R).

- A similar print from 4 December 2009 about the VW Up Lite.

- A similar print dated 19 July 2011 about the new VW Beetle.

- A page of links on the same website (after a search for VW 2007 was made) with a variety of results from the news section of the website for various VW cars.

- 14 pages from the same website in the "Volkswagon car reviews area". In the introduction about the brand, the company is referred to as VW. A large number of reviews can be clicked upon, the extracts (before clicking) most often refer to the company name Volkswagon, but there are some that use VW.

- A UK Google search for the term "VW dealers" reveals a number of hits including "2nd hand VW dealers", "Specialist Cars VW (Dunfermline)", "Andy's VW Centre", a reference to "New VW Passat" and what appears to be Google keywords: "Nearest VW Dealership" and "VW Dealers" etc. Volkswagon Manchester use VW in the explanation of what they do.

8. In terms of spare parts, the turnover of spare parts in the UK is in the tens of millions per annum (in relation to parts for passenger cars and vans). Authorised repairers and retailers have access to a large database of parts from which they order to sell direct to the customer. A large number of invoices across a range of dates are provided showing the sale of spare parts to garages (presumably the authorised repairers and retailers). The invoices are issued by Volkswagon Group United Kingdom Limited, the opponent's UK subsidiary. A large range of parts are included. The invoices do not specifically mention VW, Volkswagon or the VW logo when identifying the parts, but the VW logo is on the top of each invoice. There is also an extract from the website of Volkswagon UK about its parts which includes the rubric "Nothing can replace Volkswagon original parts". Not many parts are depicted, but it does include wheels, mats and car accessories.

The applicant's evidence

9. This is given by Mr Mark Davies, one of the joint applicants of the subject trade mark. Mr Davies is a director of V W Derrington Ltd ("Derrington"). It is explained that Derrington manufactures aftermarket motor vehicle components for passenger and racing cars, mainly catering for the historic market. He states that the name V W Derrington has been synonymous within specialist and high performance road and race car markets "since 1919 continuously until the present day". Mr Davies refers to a number of documents in his exhibit as follows:

i. An advertisement from 1923 for exhaust pipes. The supplier is identified as V.W. DERRINGTON.

ii. An advertisement from 1930 for sports exhaust sets. The supplier is identified as V.W. DERRINGTON.

iii. An advertisement from 1932 for “gadgets” including steering wheels, exhaust systems and radiator guards. The supplier is identified as DERRINGTON. The letters V.W. or V W are not used.

iv. An advertisement from 1933 for exhaust systems, steering wheels, screens and cycles wings. The supplier is identified as V.W. DERRINGTON

v. An advertisement from 1936 for screens, cylinder heads, brake lever extensions, gear controls, exhaust systems, filler caps and “fishtails”. The supplier is identified as V.W.DERRINGTON, although at the top of the page DERRINGTON is also used alone.

vi. An advertisement from 1939 for a cylinder head, luggage carriers and exhaust systems. The supplier is identified as V.W. DERRINGTON, although the letters V.W. are in smaller print than DERRINGTON.

10. All of the above advertisements were obtained from The Aeroplane Directory of the Aviation and Allied Industries 1937. The exhibited documents continue:

vii. A transcription of a 1952 advertisement published in The Motor Sport Magazine. The supplier is identified as V.W. DERRINGTON. The advertisement refers to cylinder heads for use in certain car brands of the time.

viii. A “period photograph” of a shop from around 1952. The shop name is V.W. DERRINGTON LTD. There may be car parts in the window, but it is difficult to tell.

ix. An article from Autosport dated March 1953. The article is about the Morris 8 CAR. The article states “The most comprehensive “tune-up” kit for Minors at present on the market is that offered by V.W. Derrington Ltd of Kingston-upon-Thames”. There is also a photograph with the caption “V.W. Derrington checks the ignition setting...”.

x. A “period photograph” from around 1953 of a works bus. I can just about make out the word DERRINGTON, but not the letters V W.

xi. Copies of patent documents for a 1955 steering wheel patent in the name of Victor William Derrington.

xii. A photograph of a sales van from around 1954. I can make out the word DERRINGTON (on the door) but not the letter V W

xiii. The front page of a catalogue for wooden steering wheels. The supplier is V.W. DERRINGTON LTD. It is stated that the catalogue was widely distributed between 1959 and 1963.

xiv. An article in the magazine Car and Car Conversions (“CCC”) from 1966 The article is headed “D is for DERRINGTON”. The full name (V.W. DERRINGTON LTD”) and address (in Kingston-upon Thames) is also

given. The thrust of the article is about tuning up vehicles and that V.W. Derrington Ltd was one of the first to offer this.

xv. An article from Car magazine dated May 1967. It is headed "Kingston's Georgian Soup Kitchen" and is about Victor William Derrington and the firm he ran. There is much historical information in that Mr Derrington raced cars and that his shop provides the means to soup up cars for sporting purposes.

xvi. An advertisement from CCC dated September 1975. The supplier is V.W. DERRINGTON LTD and various goods are offered for cars but with an apparent sporting/competition theme.

xvii. A letter dated 5 January 1984 to a potential customer about a combined inlet/exhaust manifold system for the "10oe". It is on the headed paper of V.W. DERRINGTON LTD (V.W. is smaller than DERRINGTON, LTD is smaller again).

xviii. A photograph of a manifold from the 1960s, which has V.W. DERRINGTON LTD embossed on the product. This is said to be illustrative of how the brand is used on goods and that steering wheels, for example, are marked in a similar way.

11. Mr Davies states that the name has never been registered in the UK or EU, but the extensive use of the name DERRINGTON, including its separate initials V W can been seen in the above documents and Derrington is "relying on the earlier and continuous use of the name in having common law right to continue to use and to fortify the right to use and protect the mark..". He states that V W Derrington is a globally recognised brand with a long reputation in the UK and internationally and existed before the opponent was founded in 1937. They are associated with road and racing cars and parts for cars, racing cars, historic sports and racing cars and motor car related activities". Their use has never been taken as a reference to Volkswagon, VW or Volkswagon AG.

Section 5(4)(a) of the Act

12. I begin my assessment with the ground(s) pleaded under section 5(4)(a) of the Act, which reads:

> "A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented –
>
> > (a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or
> >
> > (b)...

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of "an earlier right" in relation to the trade mark."

13. Halsbury's Laws of England (4th Edition) Vol. 48 (1995 reissue) at paragraph 165 provides the following analysis of the law of passing-off. The analysis is based on guidance given in the speeches in the House of Lords in *Reckitt & Colman Products Ltd v. Borden Inc.* [1990] R.P.C. 341 and *Erven Warnink BV v. J. Townend & Sons (Hull) Ltd* [1979] AC 731. It is (with footnotes omitted) as follows:

> "The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:
>
> (1) that the plaintiff's goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;
>
> (2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by the defendant are goods or services of the plaintiff; and
>
> (3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant's misrepresentation.
>
> The restatement of the elements of passing off in the form of this classical trinity has been preferred as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House. This latest statement, like the House's previous statement, should not, however, be treated as akin to a statutory definition or as if the words used by the House constitute an exhaustive, literal definition of passing off, and in particular should not be used to exclude from the ambit of the tort recognised forms of the action for passing off which were not under consideration on the facts before the House."

14. Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph 184 it is noted (with footnotes omitted) that:

> "To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:
>
> (1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and
>
> (2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.
>
> While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot

be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

(a) the nature and extent of the reputation relied upon;

(b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;

(c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;

(d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and

(e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances."

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action."

The relevant date and the prior use by Derrington

15. Whether there has been passing-off must be judged at a particular point (or points) in time. In *Advanced Perimeter Systems Limited v Multisys Computers Limited,* BL O-410-11, Mr Daniel Alexander QC, sitting as the Appointed Person, stated:

"39. In *Last Minute*, the General Court....said:

'50. First, there was goodwill or reputation attached to the services offered by LMN in the mind of the relevant public by association with their get-up. In an action for passing off, that reputation must be established at the date on which the defendant began to offer his goods or services (*Cadbury Schweppes* v *Pub Squash* (1981) R.P.C. 429).

51. However, according to Article 8(4) of Regulation No 40/94 the relevant date is not that date, but the date on which the application for a Community trade mark was filed, since it requires that an applicant seeking a declaration of invalidity has acquired rights over its non-registered national mark before the date of filing, in this case 11 March 2000.'

40. Paragraph 51 of that judgment and the context in which the decision was made on the facts could therefore be interpreted as saying that events prior to the filing date were irrelevant to whether, at that date, the use of the mark

applied for was liable to be prevented for the purpose of Article 8(4) of the CTM Regulation. Indeed, in a recent case before the Registrar, *J Sainsbury plc v. Active: 4Life Ltd* O-393-10 [2011] ETMR 36 it was argued that *Last Minute* had effected a fundamental change in the approach required before the Registrar to the date for assessment in a s.5(4)(a) case. In my view, that would be to read too much into paragraph [51] of *Last Minute* and neither party has advanced that radical argument in this case. If the General Court had meant to say that the relevant authority should take no account of well-established principles of English law in deciding whether use of a mark could be prevented at the application date, it would have said so in clear terms. It is unlikely that this is what the General Court can have meant in the light of its observation a few paragraphs earlier at [49] that account had to be taken of national case law and judicial authorities. In my judgment, the better interpretation of *Last Minute*, is that the General Court was doing no more than emphasising that, in an Article 8(4) case, the *prima facie* date for determination of the opponent's goodwill was the date of the application. Thus interpreted, the approach of the General Court is no different from that of Floyd J in *Minimax*. However, given the consensus between the parties in this case, which I believe to be correct, that a date prior to the application date is relevant, it is not necessary to express a concluded view on that issue here.

41. There are at least three ways in which such use may have an impact. The underlying principles were summarised by Geoffrey Hobbs QC sitting as the Appointed Person in *Croom's TM* [2005] RPC 2 at [46] (omitting case references):

> (a) The right to protection conferred upon senior users at common law;
>
> (b) The common law rule that the legitimacy of the junior user's mark in issue must normally be determined as of the date of its inception;
>
> (c) The potential for co-existence to be permitted in accordance with equitable principles.

42. As to (b), it is well-established in English law in cases going back 30 years that the date for assessing whether a claimant has sufficient goodwill to maintain an action for passing off is the time of the first actual or threatened act of passing off: *J.C. Penney Inc. v. Penneys Ltd.* [1975] FSR 367; *Cadbury-Schweppes Pty Ltd v. The Pub Squash Co. Ltd* [1981] RPC 429 (PC); *Barnsley Brewery Company Ltd. v. RBNB* [1997] FSR 462; *Inter Lotto (UK) Ltd. v. Camelot Group plc* [2003] EWCA Civ 1132 [2004] 1 WLR 955: "date of commencement of the conduct complained of". If there was no right to prevent passing off at that date, ordinarily there will be no right to do so at the later date of application.

43. In *SWORDERS TM* O-212-06 Mr Alan James acting for the Registrar well summarised the position in s.5(4)(a) proceedings as follows:

> 'Strictly, the relevant date for assessing whether s.5(4)(a) applies is always the date of the application for registration or, if there is a priority

date, that date: see Article 4 of Directive 89/104. However, where the applicant has used the mark before the date of the application it is necessary to consider what the position would have been at the date of the start of the behaviour complained about, and then to assess whether the position would have been any different at the later date when the application was made.' "

16. In a normal case before this tribunal the relevant date would, therefore, be the filing date of the subject trade mark so, in these proceedings, 10 October 2013. However, if the subject trade mark has been used before that date then the position at an earlier point in time must also be considered. Such use may establish, for example, that the applicants are the senior users of the mark or that there exists concurrent goodwills that should not be disturbed. It is clear that this is an aspect of the applicants' defence, as per Mr Davies' comments at paragraph 11 above where he indicated that the applicants are:

> "relying on the earlier and continuous use of the name in having common law right to continue to use and to fortify the right to use and protect the mark.."

17. The applicants (specifically Mr Davies) filed evidence to support their claims. However, notwithstanding what has been filed, and in line with the opponent's submissions, I do not consider the applicants' position to be improved by the evidence they have filed, for the following reasons:

i) The applicants for the trade mark are two individuals, one of whom has identified himself as a director of Derrington. The applicants would need to establish that they owned any goodwill Derrington built up. There is no evidence of any form of assignment of goodwill from Derrington to the applicants. Neither is there any explanation as to why the applicants have filed the mark in the name of the applicants. It is, therefore, not clear that the applicants should be able to benefit from the claimed use of Derrington.

ii) Even without the problem at i) above, it is not established that Derrington has a current goodwill. The advertisements are historical, the most recent provided in evidence being from the mid-70s. The only more recent document is a letter from the mid-80s, around 30 years before the relevant date. There is no evidence as to what trade Derrington has operated since then. The statement by Mr Davies that the business has continued is a simple assertion, with no objective evidence from which to make any form of assessment.

iii) Further, even in the period when advertisements were issued, no other objective evidence is provided, such as turnover, sales information, customer numbers etc. This makes it difficult to assess the strength of any goodwill in the years gone by. Whilst it is probable that some goodwill existed, how strong it was is not clear from the evidence.

iv) Finally, given that there is no current goodwill, the applicants would need to establish some form of residual goodwill. This is difficult in circumstances

> when the evidence is lacking in terms of being able to assess its initial strength. The evidence does not establish that the applicants' new mark will even call to mind the old business of Derrington, let alone that any new business would be regarded as the old[1].

18. For the above reasons, the matter must be judged solely as of 10 October 2013. The opponent must establish that it had a protectable goodwill associated with the signs relied upon at this date and that the notional use of the applied for mark by the applicants would constitute passing-off. The historic use by Derrington is not pertinent in this assessment.

Was there goodwill at the relevant date?

19. In *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL) the following was stated in respect of goodwill:

> "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."

> of that case turned on the difference between what was needed to establish a common law trade mark and passing off claim. If a trivial goodwill is enough for the latter, then the difference between the two is vanishingly small. That cannot be the case. It is also noteworthy that before the relevant date of registration of the BALI mark (1938) the BALI mark had been used "but had not acquired any significant reputation" (the trial judge's finding). Again that shows one is looking for more than a minimal reputation."

20. The opponent's business is large and well-established. It clearly has an extremely strong goodwill in relation to the sale of motor vehicles (primarily cars and vans). The signs VOLKSWAGON and the VW logo are strongly distinctive of the opponent in this regard. In terms of the letters VW *per se*, the opponent does not appear to use the letters other than in the form of its logo. However, the logo is composed of those letters and this, taken together with the fact that those letters represent the initial letters of Volkswagon, means that members of the public will associate the letters with the opponent's goodwill. This is exemplified by the evidence showing that VW *per se* is used by others to identify the opponent and its cars. I consider the letters VW to be strongly associated with the opponent's goodwill.

21. In addition to the motor vehicles themselves, the opponent's strong goodwill will have extended to the parts for those vehicles. There is evidence of strong sales and there is an emphasis on the acquisition of genuine parts as opposed to those of third parties.

[1] In *WS Foster & Son Limited v Brooks Brothers UK Limited* [2013] EWPCC 18, Mr Recorder Iain Purvis QC, described this as the acid test.

Misrepresentation

22. The test for misrepresentation was discussed by Morritt L.J. in *Neutrogena Corporation and Another v Golden Limited and Another*,1996] RPC 473:

> "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."

in term of proof, he went on to say:

> "The role of the court, including this court, was emphasised by *Lord Diplock in GE Trade Mark* [1973] R.P.C. 297 at page 321 where he said:
>
> > 'where the goods are sold to the general public for consumption or domestic use, the question whether such buyers would be likely to be deceived or confused by the use of the trade mark is a "jury question". By that I mean: that if the issue had now, as formerly, to be tried by a jury, who as members of the general public would themselves be potential buyers of the goods, they would be required not only to consider any evidence of other members of the public which had been adduced but also to use their own common sense and to consider whether they would themselves be likely to be deceived or confused.
> >
> > The question does not cease to be a "jury question" when the issue is tried by a judge alone or on appeal by a plurality of judges. The judge's approach to the question should be the same as that of a jury. He, too, would be a potential buyer of the goods. He should, of course, be alert

> to the danger of allowing his own idiosyncratic knowledge or temperament to influence his decision, but the whole of his training in the practice of the law should have accustomed him to this, and this should provide the safety which in the case of a jury is provided by their number. That in issues of this kind judges are entitled to give effect to their own opinions as to the likelihood of deception or confusion and, in doing so, are not confined to the evidence of witnesses called at the trial is well established by decisions of this House itself.'"

and he also identified who it is that needs to be deceived:

> "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."

23. It is also important to bear in mind the nature of the required "connection" when considering passing-off. In *Harrods Limited v Harrodian School Limited* [1996] RPC 697 (CA), Millet L.J. stated:

> "It is not in my opinion sufficient to demonstrate that there must be a connection of some kind between the defendant and the plaintiff, if it is not a connection which would lead the public to suppose that the plaintiff has made himself responsible for the quality of the defendant's goods or services. A belief that the plaintiff has sponsored or given financial support to the defendant will not ordinarily give the public that impression. Many sporting and artistic events are sponsored by commercial organisations which require their name to be associated with the event, but members of the public are well aware that the sponsors have no control over and are not responsible for the organisation of the event. Local teams are often sponsored in similar fashion by local firms, but their supporters are well aware that the sponsors have no control over and are not responsible for the selection or performance of the players.
>
> Schools and colleges are not normally sponsored or promoted in the same way, but they are often financially supported by commercial and professional organisations. Scholarships and professorial chairs are increasingly established by professional firms which stipulate that their name is publicly associated with the endowment. But it is generally recognised that those who provide financial support to such institutions do not expect to have any control over or to be held responsible for the institution or the quality of the teaching. Many ancient schools still bear the names of the guilds which founded them, not as part of their trading activities, but as charitable institutions for the benefit of children of their members. The connection is now largely if not entirely historical; but it was probably never one which was capable of adversely affecting the goodwill and business reputation of the founder."

24. It is the notional use of the mark **V W DERRINGTON** for the following goods that must be considered:

> **Class 12:** Automobile steering wheels; Automobile wheels; Fuel lines for vehicles; Motor cars for racing; Racing motor cars; Rearview mirrors [of automobiles]

25. In relation, firstly, to motor cars for racing and racing motor cars, I observe that the opponent's evidence does not specifically focus upon cars for racing. However, a car for racing can be extremely similar to an ordinary road car. It may have some adaptations such as extra safety features but they are still cars. Furthermore, even if the public perceived a difference, they would not be surprised to learn that a major car manufacturer is moving into cars for racing. Such an assumption will, of course, only be made if the mark is indicative of the necessary connection. In this case, much depends on how the mark V W DERRINGTON will be seen. Even though the applicant's evidence does not establish a senior or concurrent goodwill, it at least demonstrates that DERRINGTON is the surname of the founder of Derrington and that V W are/were his initials. Although DERRINGTON is not a common surname, it still sounds like one and, therefore, the whole mark V W DERRINGON has the potential to be seen as a full name. The goodwill of the opponent must also be factored in when assessing how the mark will be regarded. The opponent's evidence shows that it uses sub-brands (polo, golf etc), a point I bear in mind in assessing how the applied for mark is likely to be perceived. The opponent also submits that the fact that it uses a network of authorised dealers is a relevant factor as V W DERRINGTON could be seen as such an undertaking. Having considered all of this, and notwithstanding the opponent's goodwill in the letters VW *per se*, I still consider that the mark will be perceived as a reference to a person with the initials V W and the surname Derrington. The separation of the letters V and W assists in this. For the goods at issue, the mark will not be mistaken as a VW sub-brand or a VW dealer. It should also be borne in mind that cars are purchased with a good deal of care, so it is not as though the goods will be chosen in a casual manner with only a fleeting reference to the marks. **I do <u>not</u> consider that a substantial number of persons will be deceived into believing that the goods of the applicant are the responsibility of the opponent or are economically linked in some way.**

26. In relation to steering wheels, fuel lines and rear view mirrors, I consider the same finding to apply. Whilst the opponent's goodwill extends to parts such as these, the applied for mark will be perceived in the same way as described above. Even though these goods are purchased with less care than a vehicle, a reasonable degree of care will still be deployed. **I do <u>not</u> consider that a substantial number of persons will be deceived into believing that the goods of the applicant are the responsibility of the opponent or are economically linked in some way.**

27. The opposition fails under section 5(4)(a) of the Act.

Section 5(2)(b) of the Act

28. Findings on section 5(2)(b) and 5(4)(a) often (but not always) go hand in hand. However, I will still give some brief observations. Section 5(2)(b) reads:

> "5.-(2) A trade mark shall not be registered if because –
> ..
>
> (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."

29. The following principles are gleaned from the judgments of the EU courts in *Sabel BV v Puma AG,* Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc,* Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV,* Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH,* Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM,* Case C-334/05P and *Bimbo SA v OHIM,* Case C-591/12P.

> (a) The likelihood of confusion must be appreciated globally, taking account of all relevant factors;
>
> (b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;
>
> (c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;
>
> (d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;
>
> (e) nevertheless, the overall impression conveyed to the public by a composite trade mark may be dominated by one or more of its components;
>
> (f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

(g) a lesser degree of similarity between the goods or services may be offset by a great degree of similarity between the marks, and vice versa;

(h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;

(i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;

(j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;

(k) if the association between the marks creates a risk that the public will wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

The goods

30. Goods can be considered as identical when the goods of the applied for mark fall within the ambit of broad terms in the earlier mark[2]. The opponent's earlier UK mark (no. 1067310) covers motor vehicles and their parts, consequently, the goods applied for by the applicants are identical as they are covered by the scope of the opponent's registration.

Distinctive character of the earlier trade mark

31. In *Lloyd Schuhfabrik Meyer & Co. GmbH* v *Klijsen Handel BV,* Case C-342/97 the CJEU stated that:

"22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *WindsurfingChiemsee* v *Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or

[2] See, for example, *Gérard Meric v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-133/05 – "*Meric*")

services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51)."

32. Although just letters, I consider the opponent's VW mark to have at least an average degree of inherent distinctive character. The distinctiveness of the mark is enhanced to a high degree on account of the use made of it. Although the letters are not used *per se* by the opponent, a mark can acquire distinctiveness through the use of another mark[3] (in this case through the use of its VW logo) and the same must apply to the enhancement of distinctive character. The mark VW is strongly distinctive of the opponent's goods.

Average consumer and the purchasing act

33. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer, Case C-342/97.* In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited,* [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

> "60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The words "average" denotes that the person is typical. The term "average" does not denote some form of numerical mean, mode or median."

34. As stated in relation to the section 5(4)(a) assessment, a good deal of care will go into the selection of a motor vehicle, this is so whether the average consumer is a member of the public or a business. Slightly less (but still at least a reasonable degree) care will go into the selection of parts. The marks will be encountered visually, through websites, brochures etc. But I do not discount the aural impact either as this is a field in which discussions with salespersons often take place.

Comparison of marks

35. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The CJEU stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

[3] As per the *Kit Kat "Have a Break"* case.

> ".....it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion."

36. It would be wrong, therefore, to artificially dissect the trade marks, although, it is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks. The competing marks are:

> **VW**
>
> against
>
> **V W DERRINGTON**

37. In terms of the overall impression of the marks, in the opponent's mark **VW** represents a conjunction of two letters, with neither dominating the other. As for **V W DERRINGTON,** and as already stated, the blend of meaning and significance will be of a full name (initials and surname) which I consider to mean that DERRINGTON will have greater relative weight in the overall impression of the applicant's mark. The letters V W clearly play a role in the mark, so cannot be ignored from the comparison.

38. From a visual and aural perspective, there is a degree of similarity as the marks contain/consist of the letters VW/V W. However, there is a major difference in terms of the addition of the word DERRINGTON. I consider that any similarity between the marks to be of only a low degree.

39. Conceptually, there is a difference in concept as the applicant's mark will be seen as a name and the opponent's mark will not.

Likelihood of confusion

40. The factors assessed so far have a degree of interdependency (*Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc*, paragraph 17), a global assessment of them must be made when determining whether there exists a likelihood of confusion (*Sabel BV v. Puma AG,* paragraph 22). However, there is no scientific formula to apply. It is a matter of considering the relevant factors from the viewpoint of the average consumer and determining whether they are likely to be confused.

41. The goods are identical, but the degree of similarity between the marks is low. I have held that the applied for mark will be seen as a name, so the marks are conceptually different. Even when the enhanced reputation of the earlier mark is borne in mind, this does not in my view change how the applied for mark will be perceived. The goods are highly considered purchases in the case of cars, but even for parts they are still purchased with a reasonable degree of care. I consider, as per

my assessment under section 5(4)(a), that the average consumer will not be confused. This is so even when indirect confusion is considered. The use of V W in the applied for mark V W DERRINGTON will not indicate that the goods come from the same (or related) stable as the opponent's VW mark, but instead as the use of those letters a part of a name. **There is no likelihood of confusion.**

42. I should add that my findings are not based, given my earlier comments, upon the applicant's claim of honest concurrent use nor its reference to an absence of confusion. My decision is based on the notional assessment outline above.

Costs

43. The applicants have been successful and are entitled to a contribution towards their costs. In making my assessment I bear in mind that the applicants were not legally represented and, so, would not have incurred any legal costs and, also, that their evidence was of limited assistance. I award the applicants the sum of £350 as a contribution towards the cost of the proceedings. The sum is calculated as follows:

Preparing statements and considering the other side's statements - £150

Filing and considering evidence - £200

44. I therefore order Volkswagon AG to pay Agnese Rikmane & Mark James (jointly not each of them) the sum of £350. The above sum should 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 15TH day of December 2014

Oliver Morris
For the Registrar,
The Comptroller-General