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IN THE HIGH COURT OF JUSTICE

CHANCERY DIVISION

[2019] EWHC 411 (IPEC)



No. IP-2018-000120

Rolls Building
Fetter Lane
London, EC4A 1NL

Tuesday, 12 February 2019

Before:

HIS HONOUR JUDGE HACON

(Sitting as a Judge of the High Court)

B E T W E E N :

BAYERISCHE MOTOREN WERKE AG

Claimant

- and -

(1) BMW TELECOMMUNICATIONS LIMITED
(2) BENJAMIN MICHAEL WHITEHOUSE

Defendants

MR G. HARBOTTLE appeared on behalf of the Claimant.

MR R. WHITTOCK appeared on behalf of the Defendants.

J U D G M E N T

JUDGE HACON:

- 1 This is an action for infringement of a registered trademark and passing-off. The claimant is the well-known manufacturer of cars, motorcycles and engines sold under the name BMW. The second defendant, Mr Whitehouse, is the managing director of the first defendant and its sole shareholder. On the 12th May 2011 Mr Whitehouse incorporated a company under the name BMW Associates Limited. I will call this company, "BMW Associates". On the 18th May 2011 the claimant wrote to BMW Associates at its registered address alleging trademark infringement and passing-off, based on BMW being part of its name. Correspondence followed. Mr Whitehouse on behalf of BMW Associates rejected the claimant's complaint.
- 2 On the 16th November 2011 the claimant's solicitors, Palmer Biggs, wrote a letter before action in rather fuller terms, and on the 22nd November 2011 Mr Whitehouse replied to Palmer Biggs. He said that BMW stood for his name, which is Benjamin Michael Whitehouse. He said he was a little one-man band telecom railway company, carrying out telecommunications and signalling works. He said he did not advertise his company, but used it for invoice purposes only.
- 3 The claimant took the view that litigation would be disproportionate. Following further discussions the claimant and BMW Associates entered into a coexistence agreement dated the 18th March 2012. Under the terms of that agreement, the claimant undertook not to pursue its complaint. In return BMW Associates undertook amongst other things not to use the word "BMW" in relation to any goods or services except as part of its company name, and/or as part of its trading name BMW Associates, to be used solely in relation to its railway transport services and/or telecommunication routing and junction services.
- 4 On the 13th December 2017 Mr Whitehouse incorporated the first defendant in this action, giving it the name BMW Telecommunications Limited. This was not a breach of the coexistence agreement since Mr Whitehouse was not a party to it. On the 23rd July 2018 the claimant issued the claim form. In its particulars of claim, the claimant made a number of allegations which I can summarise as follows: it was alleged that by incorporating the first defendant Mr Whitehouse had equipped himself with an instrument of fraud in the sense of the term used, by the Court of Appeal in *British Telecommunications Plc v One in a Million* [1999] 1WLR 903.
- 5 The claimant said that the inclusion of BMW in the first defendant's name inherently has led, or will lead, to a misrepresentation that the first defendant is associated with BMW. The claimant also alleged that the first defendant's name has infringed or threatens to infringe the claimant's trade mark. The mark relied on in this case is EU trade mark number 91835, being the word "BMW" registered for a variety of goods and services, including vehicles and parts therefor in class 12, and telecommunications in class 38. BMW alleged infringement of his registered trade mark pursuant to art 9(2)(b) and art 9(2)(c) of the Trademark Regulation 2017/1001.
- 6 In a short defence dated the 18th August 2018, signed by Mr Whitehouse, Mr Whitehouse said, so far as is relevant, that he was a consultant within the railway station information and security arena, that he does not advertise the first defendant and uses it only to invoice his employer, West Midlands Trains, for his services. And he says that the first defendant has nothing to do with the automotive industry.

- 7 Mr Whittock who appeared for the defendants today told me that Mr Whitehouse's reference to West Midlands Trains is not quite right. I understand that Mr Whitehouse is a consultant to that company and others in the transport industry, and invoices his services accordingly. He is not an employee of West Midlands Trains.
- 8 Shortly before the Defence was filed on the 10th August 2018 Mr Whitehouse filed an application to strike BMW Associates off the companies' register. I understand that it has since been struck off. Following continuing correspondence with the claimant's solicitors, by a resolution registered at Companies House, and taking effect I was told from the 29th January 2019, Mr Whitehouse changed the first defendant's name to BW Telecommunications Limited.
- 9 Mr Harbottle who appeared for the claimant today told me that the claimant does not object to the new name but nonetheless, for reasons which I will now turn to, the claimant applies for summary judgment against the defendant.
- 10 To make an order for summary judgment I must be satisfied that the defence has no real prospect of success. The claimant maintains that the registration of the first defendant under its original name was a tort for which the claimant is now entitled to judgment. The claimant also alleges that Mr Whitehouse's past behaviour means that there is a sufficient risk that Mr Whitehouse will at some time in the future register another company containing the name BMW, or otherwise use BMW for trading purposes. There is no undertaking from Mr Whitehouse not to do those things. Therefore, the claimant says it seeks an injunction.
- 11 Mr Harbottle relied mostly on the claimant's claim for passing-off and on the judgment of the Court of Appeal in *One in a Million*, the case I mentioned a moment ago. In that case the defendant had registered a number of domain names which included the names of well-known corporations: BT, Virgin, Sainsbury, Marks & Spencer, and Ladbroke. The claimants applied for summary judgment, alleging infringement of their trade marks, and passing-off. Summary judgment was granted at first instance, and upheld on appeal. Aldous LJ, with whom Swinton Thomas LJ and Stuart-Smith LJ agreed, considered the domain name Marks & Spencer, and said this at page 924 of the judgment in the Weekly Law Reports:

"It is accepted that the name Marks & Spencer denotes Marks & Spencer Plc and nobody else. Thus anybody seeing or hearing the name realises that what is being referred to is the business of Marks & Spencer Plc. It follows that registration by the appellants of a domain name including the name Marks & Spencer makes a false representation that they are associated or connected with Marks & Spencer Plc. This can be demonstrated by considering the reaction of a person who taps into his computer the domain name marksandspencer.co.uk and presses a button to execute a 'whois' search. He will be told that the registrant is One In A Million Limited. A substantial number of persons will conclude that One In A Million Limited must be connected or associated with Marks & Spencer Plc. That amounts to a false representation which constitutes passing-off.

"Mr Wilson submitted that mere registration did not amount to passing-off. Further, Marks & Spencer Plc had not established any damage or likelihood of damage. I cannot accept those submissions. The placing on a register of a distinctive name such as marksandspencer makes a representation to persons who consult the register that the registrant is connected or associated with the name registered and thus the owner of the goodwill in the name. Such persons would not

know of One In A Million Limited and would believe that they were connected or associated with the owner of the goodwill in the domain name they had registered. Further, registration of the domain name including the words Marks & Spencer is an erosion of the exclusive goodwill in the name which damages or is likely to damage Marks & Spencer Plc."

- 12 It follows from that passage that the act of registration of itself led to the likelihood of a false representation that the defendant, One in a Million, was connected, or associated with the owner of the goodwill in the well-known business of Marks & Spencer. The present case concerns company names, not domain names, but it seems to me that that is not a relevant distinction. Mr Whittock did not suggest that it was. Moreover, Mr Harbottle referred me to the judgment of Blackburn J in *Halifax Plc v Halifax Repossessions* [2002] 2 WL UK 695, a judgment dated the 27th February 2002. There Blackburn J applied the Court of Appeal's judgment in *One in a Million* and granted summary judgment. The case concerned the defendant's registration of a company which included the name Halifax. I should say that Blackburn J's judgment was later overturned on appeal, but not on that point; the appeal concerned only whether the relief which Blackburn J granted was appropriate in the circumstances.
- 13 Mr Whittock argued that the present case should be distinguished from *One in a Million* for two reasons: first of, BMW, has been used in a company name which also contains the word "telecommunications". The problem with that argument as I see it, is that telecommunications is a descriptive term, unlikely to signal to any person consulting the company's register anything other than an indication of the trading purpose of the BMW company in question.
- 14 The second point that Mr Whittock raised was that on the evidence the first defendant had only been used to invoice one company for Mr Whitehouse's consultancy services. I am prepared to assume for today's purposes that the company which Mr Whitehouse invoiced was not confused by the name that is to say none of its officers or employees were confused. That does not to my mind meet Aldous LJ's point that the fact of registering the company would lead those who consult the register to be confused.
- 15 Mr Whittock also argued in relation to the claimant's case on trade mark infringement that there is a clear defence. However his arguments were again directed to there being no likelihood of confusion under Art.9(2)(b), or no establishment of the requirements of Art.9(2)(c) in relation to the defendant's dealings with the company that Mr Whitehouse was invoicing for his services. This does not address the likelihood of confusion among others who consult the company's register.
- 16 The question I have to decide today is whether the defendants have any real prospect of establishing at trial that no substantial proportion of the public consulting the company's register and seeing the registration of the first defendant under its previous name would have believed that the defendant was associated with the claimant. At trial there would be no need for specialist evidence as to the impression that would be conveyed to a person consulting the company's register. The trial judge would be in as good a position as anyone to decide that and by extension so am I.
- 17 I think that this case is fully analogous with *One in a Million*. In my judgment there is no real prospect of the defendant's establishing that not even a significant proportion of those consulting the company's register would believe that there is an association between the first

defendant and the claimant. I would therefore grant summary judgment in relation to the claimant's passing-off claim.

- 18 I will take the claimant's application for summary judgment in relation to the registered trade mark briefly. It is not quite the same. I would have to be satisfied that the fact of incorporation of the first defendant under its previous name either led to a sufficient likelihood of confusion under art.9(2)(b), or a sufficient likelihood that the requirements of art 9(2)(c) were met. On one view it may be said that it is sufficiently arguable that in the period up until the first defendant's change of name, neither confusion nor a link can have happened because there is no evidence regarding those who consulted the company's register. But, it seems to me that Aldous LJ's observation in relation to the likelihood of confusion amongst those who consult the company's register in the context of passing-off would apply equally to the likelihood of confusion within the meaning of art.9(2)(b) of the Trade mark Regulation.
- 19 The equivalent to art.9(2)(b), that is to say s.10(2) of the Trademarks Act 1994, was not relied on in *One in a Million*. One possible explanation for that is that it was not until the entering into force of the 2017 EU Regulation that use of signs as part of a company name became expressly prohibited as an act of infringement of a trademark: see art.9(3)(d).
- 20 I would also note that Aldous LJ granted summary judgment in relation to s.10(3) of the Trademarks Act 1994, in other words the equivalent provision to art.9(2)(c). I have come to the conclusion that the logic of Aldous LJ's observations in relation to persons who consult the company's register applies equally to the claimant's case under Art.9(2)(b) and 9(2)(c). I will therefore grant summary judgment also in relation to the trade mark allegations.
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CERTIFICATE

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This transcript has been approved by the Judge