

O-285-03

TRADE MARKS ACT 1994

**APPLICATION No 2232483 BY VIRGIN OIL LIMITED TO REGISTER
THE TRADE MARK SHOWN BELOW IN CLASSES 4 & 7**



AND

**OPPOSITION TO THE REGISTRATION BY VIRGIN ENTERPRISES
LIMITED UNDER No 51714**

Background

1. On 11 May 2000, Virgin Oil Limited applied to register the trade mark shown above in Classes 4 and 7. The applicant seeks to register the mark in the colours shown on the application form, that is with the letters in shades of colour graduating from black to orange and yellow. The effect of the application of colour to the letters is not striking and, in my view, nothing turns on this.

2. The amended specification of goods is:-

Class 04

Industrial oils and greases, engineering oils, technical oils, lubricating oils, being hydraulic oils, lubricating oils for petrol/diesel engines, automotive engine oils, motor oils, gear oils, fuel oils, fuels derived from oil.

Class 07

Air filters, for lubrication machines for motors, trucks, filters, being parts of engines, filters being parts of machines, filters for cleaning lubricating oils in engines, filters for industrial purposes and for cleaning lubricating oils, filters for lubricants, filters for machines, fuel filters, oil filters, reversible flow filters.

3. The application was accepted and published for opposition purposes. On 13 November 2000, Virgin Enterprises Limited filed Notice of Opposition.

4. The grounds of opposition, in summary, are that:

- (i) the opponent is the proprietor of over 130 UK trade mark registrations consisting of, or containing, the word VIRGIN;
- (ii) registration No. 2217439 consists of the word VIRGIN in block capital letters, and is registered in Class 12 for similar goods to those contained in the application, with the result that there exists a likelihood of confusion on the part of the public and registration should therefore be refused under Section 5(2) of the Act;
- (iii) the opponent has used its trade marks on a substantial scale and has developed a substantial reputation and goodwill in the UK under the name VIRGIN;
- (iv) registration of the applicant's mark would take unfair advantage of, or be detrimental to, the distinctive character or repute of the opponent's trade marks and would therefore be contrary to S.5(3) of the Act;
- (v) use of the applicant's mark would constitute passing off and registration would therefore be contrary to S.5(4)(a) of the Act.

5. There was originally a further ground of opposition but this is no longer pursued and I need not therefore say any more about it.

6. The applicant subsequently filed a counterstatement in which it effectively denies all the grounds of opposition and draws attention, in particular, to the fact that:

- (i) the applicant was registered as a company under the name VIRGIN OIL LIMITED with effect from 24 March 2000;
- (ii) there are differences between the applicant's mark and the opponent's marks;
- (iii) the opponent has no registrations in Classes 4 or 7;
- (iv) the word VIRGIN is a well known dictionary word;
- (v) the applicant's products and services are of a specialised nature and sold business-to-business rather than to the general public, which makes any connection with the opponent unlikely;
- (vi) the applicant has also placed a clause on its website which disassociates itself from the opponent.

7. The matter came to be heard on 11 July 2003 when the applicant was represented by Mr M Boileau a Director of the applicant company, and the opponent was represented by Mr M Edenborough of Counsel, instructed by Grant, Spencer, Caisley & Porteous.

The Opponent's Evidence

8. The opponent's evidence consists of a statutory declaration (and 35 exhibits) by Mr Rory Richardson, who is the Intellectual Property Manager of Virgin Enterprises Limited, two statutory declarations by John Arthur Samuels, a self-employed market and social research consultant, and two statutory declarations by Mark James, who appears to have succeeded Mr Richardson as the opponent's Intellectual Property Manager.

9. From the evidence it is clear that the opponent is a member of the Virgin Group of companies. The opponent licenses its various VIRGIN trade marks to companies in the group and to others that are not, such as Virgin Interactive Entertainment and Virgin Music Group Limited. The Virgin Group originated in 1970 when Sir Richard Branson established a business selling popular music records, firstly by mail order and later via record shops. Since that time, the Virgin Group has expanded its UK business into a wide variety of markets including cinemas (1998), a radio station (1993), an airline (1984), train travel (1997), holidays (1985), drinks (soft and alcoholic) (1994), financial services (1995), internet service provision (1996), wedding services (1996), mobile phone services (1999), fitness and health clubs (1999), car sales (date of commencement

unclear), energy supplies (also unclear when started) and cosmetics and beauty products (1999).

10. Mr Richardson says that the Virgin Group has actively developed new products and services and that in all new ventures it relies heavily on substantial fame and goodwill generated in the trade marks to rally support for the new enterprise or market place.

11. The Virgin Group employs in excess of 16,000 staff and operates in more than 20 countries including the UK. Whilst updated figures for all the Group's companies are not available, sales turnover exceeded £1.4billion in 1997 and exceeded £2.1billion in 1998. These figures do not include any relating to the licensees of the VIRGIN mark who are the Virgin Group of companies.

12. Advertising and promotional expenditure figures have not been comprehensively updated for some time, however in the US and UK together approximately \$10m was spent in 1990 increasing steadily to \$19.3m in 1993. Within the exhibits are numerous examples of articles and advertisements which have appeared in UK newspapers, magazines and periodicals over a number of years and which relate to all the business interests mentioned above.

13. Mr James gives evidence about the very large number of companies which make up the Virgin Group and include VIRGIN as part of their name. He says that his company is vigilant in restraining third parties from incorporating the word VIRGIN in their company name and from using such names. He exhibits an extract from Companies House website which shows a list of companies whose names include the word VIRGIN.

14. Mr Samuels gives evidence about the methodology and results of two omnibus surveys conducted for the opponent in January 2002, which are introduced as evidence in the form of exhibits to his declaration. The first of these surveys was designed to test the public's recognition of the Virgin brand and to ascertain the commercial activities with which the brand is associated. The second survey was primarily intended to test the public's reaction to the applicant's mark and to establish whether the public would associate the mark with the Virgin Group.

The Applicant's evidence

15. The applicant's evidence consists of a witness statement of Martin Charles Boileau, who is a Director of the applicant company. Mr Boileau provides some background to the current proceedings. The applicant company was incorporated in March 2000. This appears to have come to the opponent's attention by April 2000 resulting in a letter being sent to the applicant by the opponent's legal department. Mr Boileau, responded on 25 April 2000 denying that there was any risk of confusion, pointing out that "virgin" is the name given to "brand new – never been used" oil (as opposed to recycled oil), asserting that his company produced a very specialised product for a niche market, but refusing (as a result of "legal advice") to provide further product details or to provide a list of

potential customers. The letter did however offer to add a disclaimer to the applicant's public web site disavowing any connection with the opponent. The opponent replied on 27 April 2000 saying that, in the absence of further details of the applicant's product or market, it could not properly assess the risk of confusion. The opponent also asked the applicant to add a disclaimer to its web site and sought assurances that no further companies or domain names would be registered incorporating the word "Virgin". This letter appears to have prompted the applicant to make the trade mark application which is the subject of these proceedings.

16. The remainder of Mr Boileau's evidence consists largely of a critical analysis of the opponent's evidence. He points out that "virgin" is not a coined word but a well known dictionary word, that the opponent has no relevant earlier trade mark registrations in classes 4 and 7, and he records that the applicant has attempted to reach an amicable settlement with the opponent, particularly by using the disclaimer referred to above. He disputes that the opponent's mark is used as a trade mark for motor vehicles and points out that in the second of the opponent's surveys, 60% of respondents did not associate the applicant's mark with the opponent.

17. A key part of the applicant's case appears to be that it operates business to business whereas the opponent deals with the general public. However, other than by describing itself as being in the hydraulic oil business, the applicant has not filed any specific evidence showing the nature of its business or the market it operates in.

Decision

Section 5(2)

18. Section 5(2) of the Act is as follows:

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

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

(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.”

19. The opponent's pleaded case is based upon the registration of the trade mark VIRGIN in plain type in class 12 in respect of:

“Automobiles; bicycles; caravans; cars; cycles; locomotives; lorries; mopeds; motor buses; motor cars; motor coaches; motor homes; motorcycles; sports cars; classic cars; classic motorcycles; tricycles; trucks; vans; electric vehicles; aeroplanes; air balloons; aircraft; airships; boats; cable cars; railway cars; seaplanes; ships; tramcars; wagons; yachts; parts and fittings for all the aforesaid goods.”

20. At the hearing Mr Edenborough also drew my attention to the existence of an earlier registration of the mark VIRGIN in Class 39 for transportation services. However, this is not part of the pleaded case, and I did not invite Mr Edenborough to seek to amend his client’s case in this respect because I did not consider that such an amendment was likely to add to the opponent’s case.

21. The class 12 mark is registered with effect from 16 December 1999, and it is therefore an “earlier trade mark” within the meaning of section 6 of the Act. The applicant’s mark is plainly not identical to the opponent’s mark, but it is equally plain that the marks are similar. The additional word “Oil” which appears in the applicant’s mark (with a stylised letter “O”) is wholly descriptive of the goods for which registration is sought in class 4, and therefore serves merely to identify what the goods are rather than the trade source responsible for them. For this reason the additional word “Oil” has little or no capacity to distinguish the applicant’s goods from those of the opponent. The word “oil” is also descriptive of some of the goods for which registration is sought in class 7 (eg filters).

22. According to the case law of the European Court of Justice (ECJ) in *Sabel BV v Puma AG* [1998] RPC 199 (at page 224), the likelihood of confusion must be assessed by reference to an average consumer of the goods concerned. The average consumer is deemed to be reasonably well informed, observant and circumspect, but only rarely has the chance to make a direct comparison of the marks and must instead rely upon the imperfect picture of them that he has kept in his mind. Because of this it is important to consider the overall impression created by the respective marks bearing in mind their distinctive and dominant components. The impressions created by the respective marks must be considered from a visual, aural and conceptual perspective.

23. The applicant points out that the word VIRGIN is an ordinary dictionary word with a well known meaning. It is suggested that the opponent’s mark is therefore not highly distinctive and the scope of protection should be limited accordingly. According to the case law of the ECJ referred to above, the distinctive character of a trade mark is a relevant factor to be taken into account when assessing the likelihood of confusion with similar marks. The opponent contends that its mark is so well known for such a diverse range of products and services that it should be regarded as having acquired a highly distinctive character for virtually any goods or services. A similar point arose in the case of *Premier Brands UK v Typhoon Europe* [2000] FSR 757. In that case the claimant argued that the distinctive character of its TY.PHOO trade mark, which was registered for kitchenware, had been significantly enhanced by the reputation that the mark acquired in relation to a trade in tea. The defendant resisted this line of argument pointing out that

there had been very little use of the mark in relation to kitchenware whilst conceding there had been substantially more use in relation to tea. Neuberger J. dealt with the point like this.

In my judgement the dispute between the parties in this connection is more apparent than real. I accept that the three decisions of the ECJ to which I have referred support the proposition advanced by Mr Arnold on behalf of Premier. However, it seems to me that they do not detract from what may fairly be said to be the fundamental point made by Mr Bloch on behalf of TEL on this aspect, namely that, in connection with a particular registered mark, the less use it has had in connection with the goods for which it is registered, the less distinctiveness it is likely to have acquired, and, therefore, the more protection claimed for it has to be limited to its inherent distinctiveness. To my mind, that proposition is really no more than the corollary of the principle (accepted by both parties) that the greater the exposure and use of a particular registered mark, the greater its reputation is likely to be, and therefore the greater the protection likely to be afforded to it.®

24. Mr Richardson gives evidence that Virgin Cars (UK) Limited, which is a member of the Virgin Group, has used the mark VIRGIN in relation to the selling of new and used cars from an Internet site. However, this appears to be a retail service rather than use of the mark as a trade mark for the vehicles in question. Further, it is not clear from the evidence whether this activity had even commenced by the relevant date in these proceedings, which is 11 May 2000. I cannot therefore accept the submission that the opponent's trade mark had acquired an enhanced distinctive character prior to the relevant date as a result of its use in respect of vehicles or their parts and fittings.

25. However, I am prepared to accept that, contrary to the applicant's submission, the trade mark VIRGIN is inherently highly distinctive for vehicles and their parts and fittings. The most distinctive trade marks are invented words, such as KODAK. But within the field of known words, the most distinctive trade marks are those which serve no function whatsoever in relation to the goods or services covered by the registration other than to identify the undertaking responsible for the product. The opponent's mark has no descriptive or functional quality whatsoever in respect of the goods for which it is registered in class 12. It is therefore an inherently strong mark for those goods, and according to the case law of the ECJ in *Sabel v Puma*, this fact is liable to increase the likelihood of confusion on the part of the public, including the likelihood of association.

26. A likelihood of confusion may exist even where the resemblance between the respective marks is not sufficient to cause one mark to be mistaken for the other, if the resemblance is nevertheless sufficient to cause an average consumer to mistakenly believe that the respective goods originate from the same or from economically linked undertakings: *Canon v MGM* [1999] ETMR 1.

27. In my view, the marks are highly similar because the dominant and distinctive feature of both marks is the word "virgin". The overall impression created by the

applicant's mark is likely to be dominated by the word "virgin". The same word is the only feature of the opponent's mark.

28. Section 5(2) requires a global comparison between the respective trade marks and the respective goods. I must therefore consider the similarities between the marks in conjunction with the similarities and differences between the respective goods. In assessing the similarities between the goods I bear in mind that the ECJ stated, at paragraphs 22 and 23 of its judgement in *Canon v MGM*, that:

“22. It is, however, important to stress that, for the purposes of applying article 4(1)(b) of the Directive (to approximate EU trade mark law, which is identical to section 5(2) of the national law), it is still necessary to adduce evidence of similarity between the goods or services covered. In contrast to article 4(4)(a), which expressly refers to the situation in which the goods or services are not similar, article 4(1)(b) provides that the likelihood of confusion presupposes that the goods or services covered are identical or similar.

23. In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their end users and their method of use and whether they are in competition with each other or are complementary.” (words in brackets inserted).

29. I am required to assume that the opponent uses its mark normally and fairly in respect of all the goods listed in its registration. As I noted above, there is no evidence that the opponent's mark has yet been put to such use, but the law includes a presumption that the trade mark is validly registered. There could be no challenge to the continuing validity of the opponent's registration on grounds of non-use because (at the relevant date) it had not been registered for five years, which is the period the law allows for a proprietor to commence use of his registered trade mark before it becomes vulnerable to revocation for non-use.

30. There is also some doubt in my mind as to whether the applicant has, or intends, to use its mark as a trade mark for the goods listed in the application. I may have misunderstood him, but from the way Mr Boileau described his company's business during the hearing it appeared to me that his company was actually engaged in providing an oil filtration service rather than trading in goods. There may have been some confusion about the appropriate classification. Nevertheless, the application form includes a statement that the applicant has a bona fide intention to use the trade mark in relation to the goods listed in the application and this has not been challenged. I am therefore required to assess the application on the basis that the applicant will use its mark as a trade mark for all the goods listed in the application.

31. The opponent's registration covers many types of vehicles and also parts and fittings for those vehicles. In the case of motor land vehicles, such as cars, this extends to engines gearboxes and clutches, which were at the date of the earlier trade mark (and still are) included in class 12.

32. In my judgement, there is a degree of similarity between these goods and the various filters listed in the class 7 section of the specification of goods of the application, which could all be for use in land vehicle engines. The nature of the respective goods would be similar to the extent that they could all be classified as land vehicles and parts thereof. The end users would in many cases be the same because vehicle owners are one of the main customer groups for replacement parts. Set against that it could be said that the specific purpose of the respective goods would differ, as would their method of use, and they are not in competition. There is no doubt that replacement parts of land vehicles are complementary products to the land vehicle as such, and specifically for the engines of such vehicles. Overall the degree of similarity between the respective goods is not very high, but there is some similarity.

33. I do not believe that the goods covered by the opponent's class 12 registration are similar to the goods listed in the class 4 section of the applicant's specification of goods. The closest goods are "automotive engine oils", "gear oils" and "fuels derived from oils", all of which could be for use in land vehicle engines or gearboxes. However, these goods are different in nature. Although they may still be regarded as complementary goods, oils are properly classified as consumables rather than as replacement parts (as with the applicant's class 7 goods). Although similarity is a matter of degree, there is nevertheless a threshold level of similarity which must be satisfied before a case can be brought under section 5(2) of the Act: see the judgement of Patten J. in *Intel Corporation v Kirpal Singh Sihra* [2003] EWHC 17 (Ch). The degree of similarity between the applicant's class 4 goods and the opponent's goods in class 12 is not sufficient to cross this threshold. These goods must therefore be regarded as dissimilar. The section 5(2) objection fails accordingly insofar as the application in class 4 is concerned.

34. Whether the objection succeeds with respect to the applicant's class 7 goods depends on whether the relatively low level of similarity between the respective goods when combined with the high degree of similarity between the marks, and the fact that the earlier mark is highly distinctive, is sufficient to give rise to a likelihood of confusion on the part of the public, which as I have already observed, extends to the likelihood of association.

35. In my judgement, the combination of these factors is sufficient to give rise to such a likelihood of confusion. In particular, I believe that an average consumer who is aware of a trade in vehicles under the trade mark VIRGIN, and who encounters a range of filters for vehicles offered for sale under the applicant's trade mark, would be likely to assume that the respective goods were marketed by the same undertaking or by undertakings with an economic connection. The section 5(2) ground of opposition therefore succeeds with regard to the goods listed in the class 7 section of the application.

36. In reaching this conclusion I have not overlooked the applicant's arguments that confusion will not arise because, inter alia, the applicant markets its goods business-to-business rather than directly to the public, and includes a disclaimer on its web site disavowing any connection with the opponent.

37. Whatever the scope of the applicant's existing use of its mark (and as I have already mentioned, there is some doubt about whether it trades in goods at all) there is nothing to prevent the mark from being assigned to a third party, who would be free to use the mark in respect of goods offered directly to the general public. And the success of an objection under section 5(2) cannot be avoided by reliance on disclaimers to mitigate any confusion that would otherwise arise. Such disclaimers would not, in any event, bind the conduct of the applicant's successors or assigns.

Section 5(3)

38. Section 5(3) is as follows:

“5.(3) A trade mark which -

- (a) is identical with or similar to an earlier trade mark, and
- (b) is to be registered for goods or services which are not similar to those for which the earlier trade mark is protected,

shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a Community trade mark, in the European Community) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.”

39. As a result of my conclusions under section 5(2) of the Act, it is only necessary to consider the opponent's objection under section 5(3) in relation to the goods I have found to be dissimilar to those for which the opponent's mark is protected. In other words, the goods listed in class 4.

40. The purpose and scope of Section 5(3) of the Act has been considered in a number of cases including *General Motors Corp. v Yplon SA* [2000] RPC 572 (Chevy), *Premier Brands UK Limited v Typhoon Europe Limited* [2000] FSR 767 (Typhoon), *Daimler Chrysler v Alavi* [2001] RPC 42 (Merc), *C.A. Sheimer (M) Sdn Bhd's TM Application* [2000] RPC 484 (Visa), and more recently in *Intel Corporation v Kirpal Singh Sihra* (supra) (Intel).

41. The points which emerge from these cases are as follows:

- a) 'Reputation' for the purposes of Section 5(3) means that the earlier trade mark is known by a significant part of the public concerned with the products or

services covered by the trade mark (paragraph 26 of the ECJ's judgement in *Chevy*);

b) The provision is not intended to give marks "an unduly extensive protection" - there must be actual detriment or unfair advantage (not merely risks) which must be substantiated to the satisfaction of the national court or tribunal (paragraph 43 of the Advocate General's Opinion in *Chevy* and paragraph 88 of Pumfrey J.'s judgement in the *Merc* case);

c) The provision is not aimed at every sign whose use may stimulate the relevant public to recall a trade mark which enjoys a reputation with them (per Neuberger J. in the *Typhoon* case);

d) The stronger the earlier mark's distinctive character and reputation the easier it will be to accept that detriment has been caused to it (paragraph 30 of the ECJ's judgement in the *Chevy* case);

e) Confusion as to the trade source of the goods or services offered for sale under the later mark is not a necessary condition for there to be detriment to the earlier mark, but is one form of detriment (paragraph 88 of Pumfrey J.'s judgement in the *Merc* case);

f) Detriment can also take the form of making the earlier mark less attractive - tarnishing - or less distinctive - blurring (paragraph 88 of Pumfrey J.'s judgement in the *Merc* case), which may be easier to show if the type of goods in respect of which the later mark is to be used are of a type which would reflect negatively on the association the public currently makes between the earlier mark and the goods for which it has a reputation (paragraph 23 of Patten J.'s judgement in *Intel*);

g) Unfair advantage can take the form of feeding on the fame of the earlier mark in order to substantially increase the marketability of the goods or services offered under the later trade mark (per G Hobbs QC in *Visa* at page 505, lines 10-17);

h) Once an opponent has satisfied the basic tenets of section 5(3), the burden shifts to the applicant to show that his use is not "without due cause"; an applicant will only have "due cause" if he can demonstrate that he is under such a compulsion to use the later mark that he cannot honestly be asked to refrain from doing so (per Neuberger J. in *Typhoon* at page 791).

42. The opponent submits that its mark is well known to the public in the UK. The applicant does not specifically deny this. Indeed it would be foolhardy to do so because the VIRGIN mark is plainly well known for some things. The opponent points to the results of the omnibus surveys undertaken by RSGB, which are submitted as exhibits to the evidence of John Arthur Samuels. In the first survey a group of approximately 500 people were asked "What comes into your mind when I say VIRGIN?" A further group of approximately the same number were asked "What does VIRGIN mean to you?" A further sample of approximately 1000 people were asked the more direct question "Have

you ever heard of a company called VIRGIN?" If they answered positively (as 97% did) they were asked the further question "Can you tell me all the things they do?"

43. The most popular answer to the questions in the two 500 groups was "airline" (with 43 and 46% respectively) followed by "Richard Branson" (26 and 30%). Then came "trains" (22%) followed by "someone who hasn't had sex" (15 and 17%) and mobile phones (15 and 13%).

44. In the 1000 group, the things that most people associated with the company called VIRGIN were:

- Airline (81%)
- Trains (63%)
- Mobile Phones (42%)
- Records and CDs (37 and 18%)
- Music (26%)
- Financial Services (18%)
- Drinks (13%)
- Holidays (13%)

45. There were a number of other areas of trade identified by 10% or less of those surveyed. I bear in mind that the survey was directed at the general public rather than the relevant public for particular market sectors. It is therefore likely that the VIRGIN mark is likely to be better appreciated amongst, for example, the record and CD buying public than would appear to be the case from a survey aimed at the public at large. Further, a survey of this nature will inevitably have caused respondents to focus on the goods/services with which they most readily associate with the VIRGIN brand, and this may have resulted in less mentions of goods/services which are known to be provided under the VIRGIN mark, but perhaps less well known than others. It is noteworthy that the average number of goods/services connected with the Virgin brand by those in the survey was just over four.

46. It is well established that reputation should not be assessed purely by reference to abstract percentage figures: *see Sabel v Puma*. Taken together with Mr Richardson's evidence, I believe that the opponent's evidence is sufficient to establish that the VIRGIN mark was, at the relevant date of 11 May 2000, known to a significant proportion of the relevant public as a trade mark for, at least, airline and train services, records & CD's, musical entertainment services, financial services, drinks and holidays. I have not included mobile phones in this list because this business did not begin until 1999, which is not long before the date at which I must assess the opponent's reputation, whereas the survey was not conducted until 2002 by which time the mobile communication business was likely to have been larger and better known.

47. The opponent has earlier registrations for the word VIRGIN covering all the goods and services for which I have found that it enjoys a relevant reputation. These are, inter alia, UK registration numbers 1287266 in class 39, 1559467 in class 9, 1287267 in class

41, 1585773 in class 36, 1532301 in class 32, and 1287268 in class 43. The opponent therefore satisfies the first of the requirements of section 5(3) insofar as he has established that the registered VIRGIN trade mark has a reputation for the range of goods and services listed above.

48. I have already found that the applicant's mark is similar to the opponent's VIRGIN mark.

49. Before me the opponent's case was that use of the applicant's mark is detrimental to the distinctive character of the earlier VIRGIN mark because it diminishes the capacity of the VIRGIN mark to distinguish the goods and services of the Virgin Group. In this connection, Mr Edenborough pointed out that, at least as far as the trade marks register is concerned, the opponent currently enjoys a near perfect monopoly over marks including the word "virgin". Of the 139 relevant registrations, 135 are in the name of the opponent. Of the remaining four, two are for the mark VIRGIN HILLS, which was registered for wines with the opponent's consent on the basis of an agreement which governs the use of these marks. The remaining two registrations utilise the word "virgin" as a non-distinctive part of the trade marks. These marks cover olive oil for which the word is wholly descriptive.

50. Of course, the state of the register does not necessarily replicate the state of the market place, but the first survey in evidence tends to support the conclusion that the general public are unaware of any significant use of the mark VIRGIN by third parties.

51. The applicant draws attention to the fact that there are companies registered (including its own) with names that include the word "virgin" which are not members of the Virgin Group. Mr James' evidence in reply on behalf of the opponent shows that 140 of the 180 relevant registered companies are members of the Virgin Group. He says that the opponent is taking action against the vast majority of the rest.

52. Registration of a company name does not necessarily mean that the name will be used in the market place. Companies often use trading names and many companies do not trade at all. I do not therefore believe that the mere registration of other companies with names that include the word "virgin" is sufficient to cast doubt on the above finding that, as far as the general public is concerned, the opponent and its associated companies are the only significant users of the trade mark VIRGIN.

53. The applicant's class 4 goods are dissimilar to any of the goods or services for which the opponent's mark enjoys a reputation. However, the reputation of the VIRGIN trade mark is unusual in that it is founded on goods and services which would not typically be provided by, or under the control of, a single undertaking, eg drinks and financial services. This undoubtedly makes it far more likely that the public will assume that other VIRGIN trade marks (and I include the applicant's mark in this category) will similarly identify part of the business of the Virgin Group. As I noted during my analysis of the authorities, a likelihood of confusion is not a necessary ingredient in a case under section

5(3), but it may nevertheless represent a concrete example of detriment to the distinctive character of the earlier mark.

54. The opponent arranged for a second omnibus survey to be conducted about a week after the first survey in January 2002. In this survey around 1000 people were shown a picture of the applicant's mark and asked "Who do you think makes this product?" No further information was provided as to the nature of the product, although the appearance of the word "oil" in the mark can be taken to have provided some indication of the product concerned. In response, 32% mentioned "Virgin" or "Virgin Group" or Richard Branson". The latter is, of course, the founder and human face of the Virgin Group. 60% of respondents indicated that they did not know who made the product. 5% said Virgin Oil Limited. The latter must be conjecture inspired by the name shown to them. There is no suggestion that Virgin Oil Limited has any reputation amongst the public.

55. This survey is open to the criticism that the key question invites respondents to guess at the 'right' answer and/or to enter into a field of speculation that they may not have entered into in a normal commercial environment. Having said that the high "don't know" rate does not suggest that a very proportion of respondents tried to guess the 'right' answer. The survey provides some support for the opponent's case, but for the reasons given above I do not consider that it would be safe to attach much weight to this survey. I must therefore base my assessment of the matter largely upon my own analysis of the relevant factors.

56. The applicant's class 4 goods consist of a range of oils and products derived from oils, such as fuel. Many of the goods are of a type which would typically be offered for sale to the general public, eg engine and gear oils and fuel. Given the virtual uniqueness of the VIRGIN mark in the market place, the fact that the mark is well known, and the existing wide range of goods and services for which the mark enjoys a reputation, I believe that a significant proportion of the relevant public would believe that a new oil or fuel product offered for sale under the applicant's mark was a product for which the opponent was responsible, or that there was an economic connection between that product and the opponent. On this footing, use of the applicant's mark is bound to be damaging to the distinctive character of the opponent's mark.

57. But even if I am not right about that, it seems to me that this is one of those rare cases where the dilution of the distinctive character of the earlier mark may, of itself, be sufficient to justify an objection under section 5(3) of the Act. I am satisfied that the opponent is the only party known to make significant use of the mark VIRGIN as such. The appearance in the market of a VIRGIN OILS mark (for oils and associated goods) would dilute that uniqueness of signification conveyed by the VIRGIN mark. It is that uniqueness of signification which has allowed the opponent to successfully extend its activities into apparently unrelated fields in the past, and to licence others to do the same. I have not overlooked the fact that some of the applicant's class 4 goods, eg industrial oils and greases, do not appear to be aimed at the general public. I have no evidence to assist me in identifying who are the relevant consumers for such products. Taking the best view I can of the matter, I do not consider that the average consumer of industrial

oils and greases is likely to be sufficiently specialised that the appearance of a VIRGIN OILS mark in this market would have no detrimental effect on the distinctive character of the opponent's VIRGIN mark in the markets in which it currently enjoys a reputation.

58. For these reasons I find that the opponent has established the primary conditions for invoking section 5(3) exist and the question arises whether the applicant has nevertheless shown due cause to use the trade mark applied for. The applicant has registered a company under the name Virgin Oils Limited. However, this only happened a few weeks before the trade mark application was made and, in any event, does not create a compulsion to use the mark applied for as a trade mark. The applicant further asserts that "virgin" is a term of art used to describe oils having the highest level of purity. However, the applicant has not provided any evidence to corroborate this assertion. I am aware that "virgin" is used in a similar way to describe high quality olive oil, but I am not aware and cannot take judicial notice of any wider use of the term in relation to oils. I must therefore regard the applicant's assertion as merely that.

59. If the applicant had filed evidence to substantiate its assertion it may have been sufficient to justify a finding that the applicant has due cause to use the mark applied for. However, such evidence would have had the side effect of casting doubt on whether the trade mark possesses the necessary distinctive character to be registered. A trade mark registration gives the proprietor an exclusive right to use the mark in relation to the goods covered by the registration. If there is a compulsion for traders in this field to use the term "virgin oil", it would not be appropriate to register those words as the trade mark of one undertaking. However, this is not a matter which is strictly before me and I therefore need say no more about it.

60. For the reasons given above the objection under section 5(3) succeeds in respect of the goods in the application which I have found to be free from objection under section 5(2) of the Act.

Section 5(4)(a)

61. In the light of these findings there is no need for me to consider the opponent's further objection under section 5(4)(a).

Costs

62. The opponent asks for a contribution towards its costs. The opposition having succeeded, the opponent is entitled to such a contribution. I order the applicant to pay the opponent the amount of £1500.

Dated this 22nd day of September 2003

**Allan James
For the Registrar**