

O-367-04

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO 2333704  
BY CAPOCO DESIGN LIMITED  
TO REGISTER THE TRADE MARK:**

**mobility**

**IN CLASSES 12 AND 39**

**AND**

**THE OPPOSITION THERETO  
UNDER NO 92075  
BY EXXONMOBIL OIL CORPORATION**

## Trade Marks Act 1994

**In the matter of application no 2333704  
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and the opposition thereto  
under no 92075  
by ExxonMobil Oil Corporation**

### BACKGROUND

1) On 31 May 2003 Capoco Design Limited, which I will refer to as Capoco, applied to register the trade mark **mobility**, the trade mark. The application was published for opposition purposes in the "Trade Marks Journal" on 25 July 2003 with the following specification:

*vehicles, land air or water*

*transport, travel services*

The above goods and services are in classes 12 and 39 respectively of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended.

2) On 27 October 2003 ExxonMobil Oil Corporation, which I will refer to as Exxon, filed a notice of opposition to the application. Exxon is the owner of the following Community trade mark registrations:

- No 79806 for the trade mark **MOBIL**. It is registered for:

*plastic materials for wrapping and packaging such as plastics film, foil or sheet including plastic film for packing and for office or domestic use; newspapers and periodicals; printed matter; and instructional and teaching material (except apparatus);*

*plastics goods or synthetic resins, including polyethylene products and plastics in extruded form for use in manufacture such as plastics film (including plastics film not for packaging), foil, rod, block, tube (including thin plastics, foils not for packaging) or sheet (non-textile); and plastics materials and foils for further manufacturing;*

*services relating to the packaging of goods.*

The above goods and services are in classes 16, 17 and 39 respectively of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended.

- No 82412 for the trade mark **MOBIL**. It is registered for:

*all services in class 36, including credit card, debit card, charge card, purchase authorisation card, discount card and cash card service; financing of purchases; electronic funds-transfer and cash dispensing services; services relating to the issue of statement of account and analysis for all the aforesaid services; payment processing; financial clearing services;*

*all services in class 37, including motor vehicle servicing, maintenance and repair; motor vehicle greasing and lubrication; motor vehicle cleaning and polishing; motor vehicle wash; anti-rust treatment for motor vehicles; painting of motor vehicles; tyre fitting and puncture repair; vehicle service station services, including filling services;*

*all services in class 41, including organising of sports and entertainment competitions;*

*verification of the identity of a person in conjunction with financial matters such as credit services.*

The above services are in classes 36, 37, 41 and 42 respectively of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended.

- No 82453 for the trade mark **MOBIL**. It is registered for:

*all goods in class 1, including chemical products for use in industry and science, all being petroleum products or derivatives; sizing agents, dessicants, plasticisers, defoamants, wax emulsions, diluents for epoxy resins and coatings (not in the nature of paints), fire extinguishing compositions, all being chemical products for use in industry; chemical products included in class 1 for use in agriculture, horticulture and forestry; manures; tempering substances and chemical preparations for soldering and for use in metal working; tanning substances and chemical substances for the treatment of skins and of leather; adhesive substances for use in industry; unprocessed plastics in the form of pastes, liquids, dispersions, emulsions and granulates, including polyethylene and polyethylene glycol, synthetic resins, hydraulic fluids, automatic transmission fluids, brake fluids and additives for fuels; chemical preparations for use as coolants and anti-freezing and icing preparations;*

*all goods in class 3, including cleaning, polishing, scouring and abrasive compositions; car wash preparations; windshield wash compositions; cleaning fluid for textile fabrics; wax polish;*

*all goods in class 4, including industrial oils and greases (other than edible oils and fats and essential oils) including circulating oil, engine oil, machinery oil, metal processing oil, lubricating oil, motor oil, penetrating oil, lubricants including synthetic lubricants, lubricants (including engine oils) and greases; fuels (including motor spirit) and solvents being petroleum derivatives, all in class 4; oils for heating and illuminating purposes; waxes for use in manufacture; petroleum products in this class for industrial purposes and dirt laying and absorbing compositions; candles, tapers, nightlights, wicks;*

*all goods in class 9, including magnetic data carriers such as magnetic and machine-readable cards bearing encoded information; automated teller and card reading machines; authorisation cards, charges cards and personal identification cards, all incorporating active components and being data carriers; data processing equipment and computers and programs therefor; monitoring apparatuses and instruments; parts and fittings for the aforesaid goods including electric and electronic installations and apparatuses for use in the supervision, checking and control of industrial operations and mini-computers for monitoring of preventative maintenance and lubrication work on production and moveable machinery; apparatus and instruments for measuring the viscosity of liquids;*

*all goods in class 16, including printed publications; printed matter; newspapers, periodicals and magazines; vouchers; stationary, with the exception of tapes, labels and supplies for printing devices; posters; document files; cards; travellers' cheques; charge cards, debit cards, personal identification cards; credit cards; advertising signs; travel maps and guides; instructional and teaching material (other than apparatus);*

*all goods in class 19, including building materials and road making materials (all being non-metallic); asphalt, pitch and bitumen, macadams and materials for coating, maintaining and repairing roads.*

The above goods are in classes 1, 3, 4, 9, 16 and 19 respectively of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended.

- No 165415 of the trade mark:



The colours red and blue are claimed. It is registered for:

*all goods in Class 16, including plastics materials for packaging such as plastics film, foil or sheet; newspapers and periodicals; printed matter; and instructional and teaching material (except apparatus);*

*all goods in class 17, including plastics in extruded form for use in manufacture including plastics materials in the form of sheets (non textile), foils, blocks, rods and pipes, all for use in manufacture;*

*all goods in class 39, including services relating to the packaging of goods.*

The above goods and services are in classes 16, 17 and 39 respectively of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended.

3) Exxon States that it has used the MOBIL trade mark throughout the world, including the United Kingdom, since 1952. It states that it has used MOBIL in relation to vehicle service station services, motor sports and the sponsorship thereof, vehicle fuels and lubricants. Exxon claims that MOBIL is a household trade mark in the United Kingdom and elsewhere and is one of the most famous trade marks in the world. Exxon states that by reason of this it possesses earlier well-known trade marks within the meaning of section 6(1)(c) of the Trade Marks Act (1994).

4) Owing to issues relating to the wording of the statement of case, I will quote paragraphs 3 – 6 (inclusive) verbatim:

“3 It is the view of the Opponent that the Applicant’s MOBILICITY mark is confusingly similar to the aforementioned marks of the Opponent and further that the goods and services to be covered thereby in classes 39 are the same as or similar to those covered by the Opponent’s registrations Nos. 165415 and 79806; as a result the Opponent believes there is a likelihood of confusion on the part of the public, which includes the likelihood of association with the Opponent’s earlier trade marks

4 To the extent that the Registrar, upon hearing the submissions and evidence of the Opponent, agrees with the Opponent’s view, or otherwise determines that any goods and services covered by the Applicant’s mark are the same as or confusingly similar to the aforesaid rights of the Opponent, then registration of the Applicant’s mark would be contrary to the provisions of Section 5(2)(b) Trade Marks Act 1994 and must be refused in respect of all of the goods and services for which it is proposed to be registered and which the Registrar holds to be the same as or similar to those of interest to the Opponent.

- 5 Further or in the alternative, the Opponent's trade marks having been used within the United Kingdom in the manner referred to in paragraph 3 hereof of the Opponent believes that it has a significant reputation associated with and symbolised by the trade mark
- 6 As regards the other goods and services to be covered in class 12 of the Applicant's application, and additionally to any extent the Registrar shall determine that any goods or services covered by the Applicant's application are dissimilar to those for which the Opponent's earlier well known trade marks are protected then the Opponent will say that the earlier marks having a reputation in the UK, the use of the Applicant's mark would be without due cause and would take unfair advantage of and be detrimental to the distinctive character or the repute of the Opponent's earlier trade marks and that the registration should therefore be refused pursuant to Section 5(3) Trade Marks Act 1994."

5) Exxon claims that use of the trade mark in relation to some or all of the goods of the application is liable to be prevented by the law of passing-off and so registration of the application should be refused as per section 5(4)(a) of the Act.

6) Exxon puts Capoco to proof to show that it has the requisite bona fide intention to use the trade mark in relation to all of the goods and services for which registration is sought within the meaning of section 32(3) of the Act. Exxon claims that in the absence of such proof, the application should be refused in accordance with section 3(6) of the Act. Exxon states that Capoco is a design company, not a transport or travel business, nor a vehicle manufacturing business.

7) Exxon seeks the refusal of the application and an award of costs.

8) Capoco filed a counterstatement in which it denies the grounds of opposition. It also seeks an award of costs.

9) Both sides filed evidence.

10) A hearing took place on 25 November 2004. Ms Ponsford of Capoco represented Capoco. Mr Harris of Gill Jennings & Every appeared for Exxon.

## **EVIDENCE**

### **Evidence of Exxon**

11) Various materials were adduced into the proceedings by way of a witness statement made by Mr Harris. The matter exhibited is as follows:

- Two pages downloaded from the Helen Hamlyn Research Centre website on 14 April 2004. The pages downloaded read as follows:

“How will we travel on public transport around large cities in the future? The Helen Hamlyn Research Centre at the Royal College of Art has joined forces with independent design consultancy Capoco to explore new directions in sustainable mass transit in the crowded urban environment of 2025 and beyond.

The 12-month project, entitled Mobilicity and based in the RCA’s Department of Vehicle Design, will create visual scenarios and design concepts for new transport systems that could improve quality of life for commuters and residents in large urban environments 25 years from now.

Capoco, which designs passenger vehicles for world markets and contributed the design philosophy of many of Britain’s current generation of city buses, commissioned the study to mark the 25<sup>th</sup> anniversary of its founding by Director Alan Ponsford.

“I’m keen to see if we can make an original statement about the future of mass public transport in the large city environment”, says Ponsford. “We are considering all of the key drivers of change for the next 25 years – sustainable development, energy and emissions, access, information, integrated systems, safety, social factors and the cityscape itself.”

The Mobilicity study is led by Helen Hamlyn research associate Merih Kunur, an experienced researcher in transport design who holds degrees from Istanbul’s Mimar Sinan University and the RCA. Kunur began the project by exploring depictions of future multi-layered city transport in popular films. He then developed a research matrix based on three primary fields of investigation (spatial organisation of cities, social change and sustainability) supplemented by economic, technological and institutional factors.

This matrix was tested and expanded in an expert forum at the RCA at which architects and urban planners, social researchers and sustainable technology and vehicle experts came together to debate a future in which densely populated cities will become more polycentric and in which current transport solutions look increasingly unsustainable.

Insights from the expert forum are now informing the development of scenarios on specific sites in three cities, London, Hong Kong and Istanbul, and the generation of concepts for zero-emission vehicles.

“We’ve been through the peaks of investment in canals, rail, trunk roads, motorways and air over the past 250 years,” says Kunur. “The question is what comes next. This study is projecting dynamic ideas about city transport in the age of hybrid fuel technologies.”

- ExxonMobil Financial and Operating Review for 2003.

- “Mobil into the second century” – a history of Mobil in the United Kingdom from 1885 to 1985, published in December 1985.
- “Mobil at 125” – a history of Mobil published in 1991.
- “Mobil The Brand” – this appears to emanate from 1996.
- “Mobil Promotional Merchandise and Gifts Catalog” – a publication from the United States of America.
- “Mobil Annual Report” for the years 1994, 1995, 1996, 1997 and 1998.
- “A brief history of Mobil” – this appears to emanate from 1997.
- Two pages downloaded from the ExxonMobil United States website on 14 April 2004.
- A page downloaded from the ExxonMobil website on 14 April 2004, showing Mobil 1 (US).
- Two pages downloaded from the ExxonMobil United Kingdom website on 14 April 2004. Reference is made to Mobil 1 oil for cars and future fuels and vehicles.
- Two pages downloaded from the ExxonMobil United Kingdom website on 14 April 2004 giving contact details for various businesses in the United Kingdom including Mobil Industrial Lubricants and Mobil Passenger Vehicle Lubricants.
- A page downloaded from Mobil1.com website on 14 April 2004. The internal evidence suggests that this was generated in the United States.
- Webpages downloaded on 14 April 2004 showing merchandise priced in dollars.
- A webpage for Mobil 1 Racing downloaded on 14 April 2004. The one reference to Europe is to the Grand Prix of Europe in Nurburgring.
- A page from Mobil1 Racing downloaded on 14 April 2004 about the Mercedes-Benz Formula 1 engine. The page advises that Team McLaren Mercedes uses Mobil 1.
- Two pages from ExxonMobil website downloaded on 14 April 2004. These pages relate to the thirtieth anniversary of Mobil 1 oil.

- Two pages, without provenance, about Mobil 1 oil. A photograph shows a racing car with Mobil 1, amongst other advertisements, written upon it and behind it an advertising board for Mobil 1.
- Pages, without provenance, headed “Future fuels and vehicles”. The internal evidence suggest that the pages are from or for the United Kingdom. The pages state that ExxonMobil is involved in a wide range of research activities with vehicle manufacturers. Reference throughout is to ExxonMobil, however, there is also reference to Mobil 1 oil and a picture of a Mobil 1 oil container is shown. There is mention of fuel cell research.
- “Mobil North Sea Community Report 2002”.

12) There is quite a lot of bulk in the evidence, mainly as a result of the presence of the annual reports. However, the evidence for the most part lacks focus either to the material date and/or the relevant jurisdictions, the United Kingdom and the European Union. It is not possible to get a clear view as to the position of the trade mark MOBIL in the United Kingdom at the date of application, 31 May 2003 (the material date). The best that can be said is that there are oblique indications. In the annual report for 1998 there is a brief reference to Mobil celebrating a hundred years in Germany. The 1996 report refers to the merger in the United Kingdom and Europe of certain operations with BP; BP operating the fuels venture and the services stations carrying BP colours and marketing Mobil lubricants. The 1998 report refers to the re-imaging of 3,000 Mobil sites and 5,000 BP sites; from earlier reports it would appear that these sites are in Europe and Turkey. The annual reports show that Mobil is involved in a variety of areas, including oil/gas extraction and plastic production. There is nothing in the evidence which indicates upon exactly which goods and services the Mobil brand has been used and to what extent and in what countries. There is no indication as to the amount spent on promotion of the MOBIL trade mark. Following the merger with Exxon the bulk of the material refers to ExxonMobil and not Mobil on its own. It is impossible to get anything approximating a clear picture as to the position of MOBIL as a brand at the material date; either by reference to goods or services and jurisdictions. One can tell what the position of Mobil was to some extent in the United Kingdom in 1985, but that is an awfully long time before the material date.

13) However, Ms Ponsford made an admission against interest in her skeleton argument. An admission that she made more clear and definite at the hearing. Ms Ponsford accepted that the trade mark MOBIL had a worldwide reputation in relation to fuels and lubricants, a reputation that exists in both the United Kingdom and the European Union.

### **Evidence of Capoco**

14) This is made by way of a witness statement by Ms Ponsford. Ms Ponsford puts into the proceedings a sheet headed “Scenarios for sustainable public transport 2025” from the Royal College of Art. The sheet is dated 23 March 2004 and the text reproduces exactly

the two web pages downloaded from the Helen Hamlyn Research website and exhibited by Exxon.

## **PRELIMINARY ISSUES**

### **Additional filed by Capoco**

15) On 10 November the Office received a letter from Capoco. The letter made various statements and attached documentation. Capoco was informed by the Office that if it wished to file additional evidence it would need to be in the form of a witness statement with supporting exhibits. The hearing officer would then consider if the evidence should be admitted into the proceedings under rule 13(C)(6) of the Trade Marks (Amendment) Rules 2004. On 19 November 2004 evidence in the proper form was received by the Office. Capoco was advised that the hearing officer would consider the request for the filing of additional evidence at the hearing, as a preliminary issue.

16) The evidence filed by Capoco consists of a witness statement made by Ms Ponsford, who is the office manager of Capoco, and three exhibits. Ms Ponsford in the witness statement states that the trade mark is intended to be used and attached to a concept vehicle. She exhibits at SDP1 pages from the mobility website describing the vehicle. There is no indication as to when the pages were either downloaded or first placed on the web. There is reference to a press launch on 7 October. On the basis of other evidence it would appear that this would have been in 2004 and so the pages from the website would have emanated from after this date. The pages relate to a second phase of the mobility project. Also exhibited are copies of correspondence between Mr Ponsford of Capoco and Truck Racing Development, from 28 October and 8 November 2004. This relates to the building of a prototype vehicle.

17) Rule 13(C)(6) of the Trade Marks (Amendment) Rules 2004 states:

“The registrar may, at any time if she think fits, give leave to either party to file evidence upon such terms as she thinks fit.”

18) The various trade marks rules have set out a system of filing evidence, these have stated in what sequence the evidence should be filed and sets out time limits, which can be extended. The system is designed for certainty, fairness and efficient administration. The system is designed to avoid an infinite tennis match of evidence and counter evidence. In this case Mr Harris made it clear that if the evidence was accepted Exxon would want time to consider whether it could, should or wanted to file evidence in reply.

19) Hearing officers, in considering the issues relating to additional evidence, have looked for guidance by analogy with the practice adopted for filing additional evidence in appeals. It is not a direct match but it represents reasonable analogous parameters. The considerations for the filing of additional evidence at appeal stage have been considered in *Hunt-Wesson Inc's Trade Mark Application* [1996] RPC 233, then in *Wunderkind Trade Mark* [2002] RPC 45, then in *État Française Représentée Par la Ministère de L'*

*Agriculture de la Forêt v Bernard Matthews Plc* [2002] ETMR 90 and most recently in *EI Du Pont de Nemours & Company v ST Dupont* [2003] EWCA Civ. 1368. In the latter judgment Aldous LJ, having considered the prior jurisprudence, stated:

“Pumfrey J considered the question of admitting fresh evidence in a trade mark appeal under the 1994 Act in *Wunderkind Trade Mark* [2002] R.P.C. 45. He concluded that proceedings before the Registrar of Trade Marks were intended closely to resemble proceedings in court and there was nothing in the nature of the tribunal which required appeals from the Registry to be treated in any special way. He considered that the introduction of CPR Part 52 had changed the position so that what was formerly a rehearing is now a review. For reasons which I have indicated, this is in my view a change of terminology, not substance. I agree, however, with Pumfrey J that trade mark appeals should not be treated differently from other appeals. As to admitting fresh evidence, Pumfrey J considered that the introduction of Part 52 had changed the law in a significant manner and that what Laddie J had said in *Hunt-Wesson* had been overtaken by the adoption of rule 52.11. Sir Richard Scott’s decision in *Club Europe* does not appear to have been drawn to Pumfrey J’s attention. However that may be, Pumfrey J in my view correctly summarised the position in paragraph 57 of his judgment, where he said:

“There is no doubt that in a trade mark appeal other factors outside the *Ladd v. Marshall* criteria may well be relevant. Thus in my judgment it is legitimate to take into account such factors as those enumerated by Laddie J in *Hunt-Wesson*, provided always that it is remembered that the factors set out in *Ladd v. Marshall* are basic to the exercise of the discretion to admit fresh evidence and that those factors have peculiar weight when considering whether or not the overriding objective is to be furthered.”

This passage, in my view, properly recognises that the same principles apply in trade mark appeals as in any other appeal to which Part 52 applies; but that the nature of such appeals may give rise to particular application of those principles appropriate to the subject matter.”

In *Hunt-Wesson* Laddie J listed the following matters as likely to be of relevance:

1. Whether the evidence could have been filed earlier and, if so, how much earlier.
2. If it could have been, what explanation for the late filing has been offered to explain the delay.
3. The nature of the mark.
4. The nature of the objections to it.
5. The potential significance of the new evidence.
6. Whether or not the other side will be significantly prejudiced by the admission of the evidence in a way which cannot be compensated, *e.g.* by an order for costs.
7. The desirability of avoiding multiplicity of proceedings.
8. The public interest in not admitting onto the register invalid marks.

In *État Française Représentée Par la Ministère de L' Agriculture de la Forêt v Bernard Matthews Plc* [2002] ETMR 90 Collins J specifically referred to the issue of the effect of the evidence:

“9. The modern authorities on the introduction of fresh evidence on appeal start of course from the classic restatement by Denning L.J. (as he then was) in *Ladd v. Marshall* [1954] 1 W.L.R. 1489, 1491:

“... three conditions must be fulfilled: first, it must be shown that the evidence could not have been obtained with reasonable diligence for use at the trial; secondly, the evidence must be such that, if given, it would probably have an important influence on the result of the case, although it need not be decisive; third, the evidence must be such as is presumably to be believed, or in other words, it must be apparently credible, though it need not be incontrovertible.”

20) None of the exhibited evidence could have been filed much earlier as it only came into existence in or after October 2004. However, therein lies one of the key problems with the evidence, it emanates from well after the date of the filing of the application. The issue of bad faith relates to what was intention at the date of the filing of the application. Later actions cannot cure an act of bad faith (see *Nonogram Trade Mark* [2001] RPC 355). They also cannot necessarily be indicative of what was an initial intention, although they might be indicative of it. In this case the evidence filed by both sides shows the original intention was for a twelve month study. The evidence does not show that a second phase was envisaged at the outset and so evidence relating to a second phase does not tell me anything about the position at the date of filing. If a second phase was part of the original plan, evidence could have been submitted to this effect, and at the beginning of the proceedings. I consider, therefore, that the additional evidence would not have an important influence upon the case and so should not be admitted.

#### **Addition evidence of Exxon**

21) On 24 November 2004 Exxon submitted additional evidence. This consisted of a witness statement by Mr Harris which effectively adduces into the proceedings a without prejudice letter, dated 2 October 2003, from Mr Ponsford of Capoco to Mr Harris. The first issue in relation to this additional evidence revolves around the matter of it introducing without prejudice correspondence into the proceedings. The philosophy and practice in relation to without prejudice correspondence in intellectual property cases are dealt with fairly exhaustively in *Prudential Assurance Co Ltd v Prudential Insurance Co of America* [2004] ETMR 29 and *Unilever PLC v The Procter & Gamble Company* [2000] FSR 344. In the former case the findings in the latter case were approved. The former case specifically dealt with the twin foundations for the restraining use of without prejudice material; the implied contractual basis and the public policy basis. In this case the letter from Mr Ponsford clearly relates to this dispute between the sides, it could be viewed as an admission against interest; although in the context of the bad faith claim I would not necessarily consider that it is. It certainly is covered by both the public policy

and contractual basis of without prejudice policy and practice. In *Unilever PLC v The Procter & Gamble Company* Walker LJ stated the following:

“In *Rush & Tompkins v. Greater London Council* [1989] A.C. 1280, 1299, Lord Griffiths said:

The "without prejudice" rule is a rule governing the admissibility of evidence and is founded upon the public policy of encouraging litigants to settle their differences rather than litigate them to a finish. It is nowhere more clearly expressed than in the judgment of Oliver L.J. in *Cutts v. Head* [1984] Ch. 290 at 306:

That the rule rests, at least in part, upon public policy is clear from many authorities, and the convenient starting point of the inquiry is the nature of the underlying policy. It is that parties should be encouraged so far as possible to settle their disputes without resort to litigation and should not be discouraged by the knowledge that anything that is said in the course of such negotiations (and that includes, of course, as much the failure to reply to an offer as an actual reply) may be used to their prejudice in the course of the proceedings. They should, as it was expressed by Clauson J. in *Scott Paper Co. v. Drayton Paper Works Ltd* [1927] 44 R.P.C. 151 at 156, be encouraged fully and frankly to put their cards on the table ... The public policy justification, in truth, essentially rests on the desirability of preventing statements or offers made in the course of negotiations for settlement being brought before the court of trial as admissions on the question of liability. The rule applies to exclude all negotiations genuinely aimed at settlement whether oral or in writing from being given in evidence.

This well-known passage recognises the rule as being based at least in part on public policy. Its other basis or foundation is in the express or implied agreement of the parties themselves that communications in the course of their negotiations should not be admissible in evidence if, despite the negotiations, a contested hearing ensues.

In the course of counsel's clear and well-researched written and oral submissions a general issue arose as to whether the "without prejudice" rule should be seen as a rule of very wide scope which does however on occasion have to yield to some more powerful principle with which it comes in conflict (such as the need to prevent a litigant deceiving the court with perjured evidence); or whether that wide view represents a failure of proper analysis of the true foundation and purpose of the rule. The most forthright passages in support of the wide view are to be found in *Walker v. Wilsher* (1889) 23 Q.B.D. 335, in passages from the judgments of Lord Esher M.R., Lindley L.J. and Bowen L.J. conveniently set out in the judgment of Oliver L.J. in *Cutts v. Head* [1984] Ch. 290, 302-304. The

clearest statement of the need for analysis is in the judgment of Hoffmann L.J. in *Muller v. Linsley & Mortimer* (November 30, 1994, 139 S.J. L.B. 43) where Hoffmann L.J. said:

Some of the decisions on the without prejudice rule show a fairly mechanistic approach, but the recent cases, most notably the decisions of this court in *Cutts v. Head* [1984] Ch. 290, [1984] 1 All E.R. 597 and the House of Lords in *Rush & Tompkins Ltd v. Greater London Council* [1989] A.C. 1280, [1988] 3 All E.R. 737 are firmly based upon an analysis of the rule's underlying rationale.

*Cutts v. Head* shows that the rule has two justifications. First, the public policy of encouraging parties to negotiate and settle their disputes out of court and, secondly, an implied agreement arising out of what is commonly understood to be the consequences of offering or agreeing to negotiate without prejudice. In some cases both of these justifications are present; in others, only one or the other. So, in *Cutts v. Head* the rule that one could not rely upon a without prejudice offer on the question of costs after judgment was held not to be based upon any public policy. It did not promote the policy of encouraging settlements because as Oliver L.J. said:

As a practical matter, a consciousness of a risk as to costs if reasonable offers are refused can only encourage settlement ...

It followed that the only basis for excluding reference to a without prejudice offer on costs was an implied agreement based on general usage and understanding that the party making the offer would not do so. Such an implication could be excluded by a contrary statement as in a *Calderbank* offer [see *Calderbank v. Calderbank* [1976] Fam. 93].

He then considered *Rush & Tompkins* at some length and continued:

If one analyses the relationship between the without prejudice rule and the other rules of evidence, it seems to me that the privilege operates as an exception to the general rule on admissions (which can itself be regarded as an exception to the rule against hearsay) that the statement or conduct of a party is always admissible against him to prove any fact which is thereby expressly or impliedly, asserted or admitted. The public policy aspect of the rule is not in my judgment concerned with the admissibility of statements which are relevant otherwise than as admissions, *i.e.* independently of the truth of the facts alleged to have been admitted. Many of the alleged exceptions to the rule will be found on analysis to be cases in which the relevance of the communication lies not in the truth of any fact which it asserts or admits, but simply in the fact that it was made. Thus, when the issue is whether without prejudice letters have resulted in an agreed settlement, the correspondence is admissible because the

relevance of the letters has nothing to do with the truth of any facts which the writers may have expressly or impliedly admitted. They are relevant because they contain the offer and acceptance forming a contract which has replaced the cause of action previously in dispute. Likewise, a without prejudice letter containing a threat is admissible to prove that the threat was made. A without prejudice letter containing a statement which amounted to an act of bankruptcy is admissible to prove that the statement was made; see *Re Daintrey* [1893] 2 Q.B. 116. Without prejudice correspondence is always admissible to explain delay in commencing or prosecuting litigation. Here again, the relevance lies in the fact that the communications took place and not the truth of their contents. Indeed, I think that the only case in which the rule has been held to preclude the use of without prejudice communications, otherwise than as admissions, is in the rule that an offer may not be used on the question of costs; a rule which, as I have said, has been held to rest purely upon convention and not upon public policy.

This is not the case in which to attempt a definitive statement of the scope of the purely convention-based rule, not least because, as Fox L.J. pointed out in *Cutts v. Head* at page 316, it depends upon customary usage which is not immutable. But the public policy rationale is, in my judgment, directed solely to admissions. In a case such as this, in which the defendants were not parties to the negotiations, there can be no other basis for the privilege.

Leggatt L.J. and Swinton Thomas L.J. agreed in short concurring judgments.

Without in any way underestimating the need for proper analysis of the rule, I have no doubt that busy practitioners are acting prudently in making the general working assumption that the rule, if not "sacred" (*Hoghton v. Hoghton* (1852) 15 Beav. 278 at 321), has a wide and compelling effect. That is particularly true where the "without prejudice" communications in question consist not of letters or other written documents but of wide-ranging unscripted discussions during a meeting which may have lasted several hours.

At a meeting of that sort the discussions between the parties' representatives may contain a mixture of admissions and half-admissions against a party's interest, more or less confident assertions of a party's case, offers, counter-offers, and statements (which might be characterised as threats, or as thinking aloud) about future plans and possibilities. As Simon Brown L.J. put it in the course of argument, a threat of infringement proceedings may be deeply embedded in negotiations for a compromise solution. Partial disclosure of the minutes of such a meeting may be, as Leggatt L.J. put it in *Muller*, a concept as implausible as the curate's egg (which was good in parts). As it happens the minutes of the Frankfurt meeting are exhibited in redacted form, in which the redacted parts of the document appear to amount to about 90 per cent of its contents.

Nevertheless there are numerous occasions on which, despite the existence of without prejudice negotiations, the without prejudice rule does not prevent the admission into evidence of what one or both of the parties said or wrote. The following are among the most important instances:

- (1) As Hoffmann L.J. noted in the first passage set out above, when the issue is whether without prejudice communications have resulted in a concluded compromise agreement, those communications are admissible. *Tomlin v. Standard Telephones and Cables* [1969] 1 W.L.R. 1378 is an example.
- (2) Evidence of the negotiations is also admissible to show that an agreement apparently concluded between the parties during the negotiations should be set aside on the ground of misrepresentation, fraud or undue influence. *Underwood v. Cox* (1912) 4 D.L.R. 66, a decision from Ontario, is a striking illustration of this.
- (3) Even if there is no concluded compromise, a clear statement which is made by one party to negotiations, and on which the other party is intended to act and does in fact act, may be admissible as giving rise to an estoppel. That was the view of Neuberger J. in *Hodgkinson & Corby Ltd v. Wards Mobility Services Ltd* [1997] F.S.R. 178 at 191, and his view on that point was not disapproved by this court on appeal.
- (4) Apart from any concluded contract or estoppel, one party may be allowed to give evidence of what the other said or wrote in without prejudice negotiations if the exclusion of the evidence would act as a cloak for perjury, blackmail or other "unambiguous impropriety" (the expression used by Hoffmann L.J. in *Foster v. Friedland*, November 10, 1992, CAT 1052). Examples (helpfully collected in *Foskett's Law & Practice of Compromise*, 4th ed., paragraphs 9-32) are two first-instance decisions, *Finch v. Wilson* (May 8, 1987) and *Hawick Jersey International v. Caplan* (*The Times*, March 11, 1988). But this court has, in *Foster v. Friedland and Fazil-Alizadeh v. Nikbin*, 1993 CAT 205, warned that the exception should be applied only in the clearest cases of abuse of a privileged occasion.
- (5) Evidence of negotiations may be given (for instance, on an application to strike out proceedings for want of prosecution) in order to explain delay or apparent acquiescence. Lindley L.J. in *Walker v. Wilsher* (1889) 23 Q.B.D. 335, at 338, noted this exception but regarded it as limited to "the fact that such letters have been written and the dates at which they were written". But occasionally fuller evidence is needed in order to give the court a fair picture of the rights and wrongs of the delay.
- (6) In *Muller* (which was a decision on discovery, not admissibility) one of the issues between the claimant and the defendants, his former solicitors, was whether the claimant had acted reasonably to mitigate his loss in his conduct and conclusion of negotiations for the compromise of proceedings brought by him against a software company and its other shareholders. Hoffmann L.J. treated that issue as one unconnected with the truth or falsity of anything stated in the negotiations, and as therefore falling outside the principle of public policy protecting without prejudice communications. The other members of the court agreed but would also have based their decision on waiver.

(7) The exception (or apparent exception) for an offer expressly made "without prejudice except as to costs" was clearly recognised by this court in *Cutts v. Head* [1984] Ch. 290 and by the House of Lords in *Rush & Tomkins*, as based on an express or implied agreement between the parties. It stands apart from the principle of public policy (a point emphasised by the importance which the new Civil Procedure Rules, Part 44.3(4), attach to the conduct of the parties in deciding questions of costs). There seems to be no reason in principle why parties to without prejudice negotiations should not expressly or impliedly agree to vary the application of the public policy rule in other respects, either by extending or by limiting its reach. In *Cutts v. Head* Fox L.J. said (at page 316) "what meaning is given to the words 'without prejudice' is a matter of interpretation which is capable of variation according to use in the profession. It seems to me that, no issue of public policy being involved, it would be wrong to say that the words were given a meaning in 1889 which is immutable ever after".

(8) In matrimonial cases there has developed what is now a distinct privilege extending to communications received in confidence with a view to matrimonial conciliation: see *Re D* [1993] 2 All E.R. 693, at 697, where Sir Thomas Bingham MR thought it not

... fruitful to debate the relationship of this privilege with the more familiar head of "without prejudice" privilege. That its underlying rationale is similar, and that it developed by way of analogy with "without prejudice" privilege, seems clear. But both Lord Hailsham and Lord Simon in *D. v. National Society for the Prevention of Cruelty to Children* [1977] 1 All E.R. 589 at 602, 610 [1978] A.C. 171 at 226, 236 regarded it as having developed into a new category of privilege based on the public interest in the stability of marriage.

That hybrid species of privilege is not in point in this case."

22) I consider that the without prejudice letter falls firmly within the without prejudice policy; it should not be admissible in evidence. I can see nothing that suggests that it falls within the specific exceptions or the general policy for exceptions identified by Walker LJ.

23) I note that Capoco on 1 October 2004, in reaction to a letter dated 30 September 2004 from the representatives for Exxon, sent in a without prejudice letter which the Office returned as it was marked without prejudice. It is unfortunate that both sides thought fit to try and make use of without prejudice correspondence; negotiations are unlikely to prosper if the veil that comes without prejudice material is lifted to suit one side or the other.

24) As I was not prepared to waive the without prejudice privilege in relation to the letter adduced with the additional evidence, the additional evidence of Exxon was not admitted into the proceedings.

25) If I had not rejected the evidence upon the above basis I do not consider that it would have been admissible on the bases set out in paragraph 19 above. It clearly could have been filed a long time ago and I do not consider that its presence in the proceedings would have any bearing upon the outcome.

### **Bad faith – section 3(6) of the Act**

26) According to section 3(6) of the Act:

“A trade mark shall not be registered if or to the extent that the application is made in bad faith.”

In this case the claim of bad faith is linked to section 32(3) of the Act, which states:

“The application shall state that the trade mark is being used, by the applicant or with his consent, in relation to those goods or services, or that he has a *bona fide* intention that it should be so used.”

27) Lindsay J in *Gromax Plasticulture Limited v. Don and Low Nonwovens Ltd* [1999] RPC 167 stated:

“I shall not attempt to define bad faith in this context. Plainly it includes dishonesty and, as I would hold, includes some dealings which fall short of the standard of acceptable commercial behaviour observed by reasonable and experienced men in the particular field being examined. Parliament has wisely not attempted to explain in detail what is or is not bad faith in this context; how far a dealing must so fall short in order to amount to bad faith is a matter best left to be adjudged not by some paraphrase by the courts (which leads to the danger of the courts then construing not the Act but the paraphrase) but by reference to the words of the Act and upon a regard to all material surrounding circumstances.”

In *Harrison v Teton Valley Trading Co* [2004] EWCA Civ 1028 Sir William Aldous considered whether in considering the actions of an applicant the test was a subjective one or an objective one. He held that it was a combination of the two:

“20. Mr Silverleaf QC who appeared for the applicant submitted that the words "made in bad faith" required that the application should be made "dishonestly". I reject that submission. If dishonesty was the test then that word would have been used in the 1994 Act and in the Directive. No doubt an application made dishonestly will be made in bad faith, but it does not follow that if dishonesty is not established, bad faith cannot have existed.

23. In *Twinsectra*, the courts had had to consider whether a solicitor had acted dishonestly. Although the question for decision in that case was different, the reasoning in the speeches is relevant. The leading speech was made by Lord Hutton. At paragraph 27 he said:

"27. ... There are three possible standards which can be applied to determine whether a person has acted dishonestly. There is a purely subjective standard, whereby a person is only regarded as dishonest if he transgresses his own standard of honesty, even if that standard is contrary to that of reasonable and honest people. This has been termed the "Robin Hood test" and has been rejected by the courts. As Sir Christopher Slade stated in *Walker v Stones* [2000] Lloyds Rep PN 864, 877 para 164:

"A person may in some cases act dishonestly, according to the ordinary use of language, even though he genuinely believes that his action is morally justified. The penniless thief, for example, who picks the pocket of the multi-millionaire is dishonest even though he genuinely considers that theft is morally justified as a fair redistribution of wealth and that he is not therefore being dishonest."

Secondly, there is a purely objective standard whereby a person acts dishonestly if his conduct is dishonest by the ordinary standards of reasonable and honest people, even if he does not realise this. Thirdly, there is a standard which combines an objective test and a subjective test, and which requires that before there can be a finding of dishonesty it must be established that the defendant's conduct was dishonest by the ordinary standards of reasonable and honest people and that he himself realised that by those standards his conduct was dishonest. I will term this "the combined test".

26. For my part, I would accept the reasoning of Lord Hutton as applying to considerations of bad faith. The words "bad faith" suggest a mental state. Clearly when considering the question of whether an application to register is made in bad faith all the circumstances will be relevant. However the court must decide whether the knowledge of the applicant was such that his decision to apply for registration would be regarded as in bad faith by persons adopting proper standards.

33. The judge applied the statement of Lindsay J in *Gromax* which is cited above in paragraph 18. He was right to do so. The words "bad faith" are not apt for definition. They have to be applied to the relevant facts of each case. The test is the combined test and the standard must be that of acceptable commercial behaviour observed by reasonable and experienced persons in the particular commercial area being examined. I stress "acceptable commercial behaviour" to exclude behaviour that may have become prevalent, but which would not upon examination be deemed to be acceptable."

In *Ferrero SpA's Trade Marks* [2004] RPC 29 Mr Kitchin, sitting as the appointed person, stated:

“In the present case I believe that the allegation of bad faith was properly pleaded. The original pleading was far from full but, following amendment, it stated in relation to each registration:

"This registration was filed in “bad faith” and was therefore registered contrary to the provisions of section 3(6) of the Act. The proprietor did not at the time of filing and does not have any intention of using the trade mark the subject of the registration either at all or alternatively for all of the goods covered by the registration. Further, the proprietor simply filed this registration in an attempt to obtain an extended yet illegitimate coverage of the descriptive word “kinder” (being the German word for ‘child’). Our enquiries have revealed that this registration has not been genuinely used in the UK by the Registered Proprietor or with its consent on any of the goods for which it is registered during the past 5 years."

This allegation was supported by the evidence of Mr. Rickard to which I have referred. That evidence made clear the charge that was being made and the basis for it.

I have also come to the conclusion that the Hearing Officer was entitled to find the allegation established on the basis of the materials before him. By the date of Mr Rickard’s declaration the Registered Proprietors had filed in excess of sixty applications to register trade marks including the word KINDER but had only ever used six. The number of applications had increased to some sixty eight by the date of Ms. Bucks’ witness statement. The large number of unused applications and the period of time over which the applications had been made led Mr. Rickard to conclude that the Registered Proprietors were filing applications without any real and effective intention to use them. The evidence of Mr Rickard was never answered by the Registered Proprietors. No attempt was made to justify or explain the filing policy.”

In that judgment Mr Kitchin also stated the following at paragraphs 23 and 24:

“I am unable to accept these submissions. Gromax makes it clear that bad faith is not limited to cases involving actual dishonesty and includes some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the area being examined. Section 32(3) of the Act requires an applicant for registration to state that the trade mark in issue is being used by the applicant with his consent in relation to the goods or services in relation to which it is sought to be registered, or that the applicant has a bona fide intention that it should be so used. Insofar as the applicant makes a materially false statement in this regard then I believe that the application is made in bad faith. This was clearly the view of Jacob J. in *De La Mer*, and he evidently had well in mind the difference in approach of OHIM as revealed by *Trillium*.

It is convenient at this point to deal with the further submission made by the Registered Proprietors that section 32(3) of the Act is ultra vires in that it seeks to impose an improper restriction on the term “bad faith” as it is used in section 3(6) of the Act. I do not accept this submission. It is indeed true that there is no equivalent of section 32(3) of the 1994 Act in the Directive but nevertheless, like Mr. Hobbs QC in *Demon Ale*, I see no reason to doubt that section 32(3) is compatible with Community Law. On the contrary, the eighth recital of the Directive expressly recognises the public interest in requiring that registered trade marks must actually be used. The same public interest was recognised by Jacob J. in clear terms in *De la Mer*.”

So in the view of Mr Kitchin section 32(3) can form a basis of a claim of bad faith. In consideration of this issue, however, I need to take into account the judgment of Neuberger J *Knoll AG’s Trade Mark* [2003] RPC 10 where he stated:

“Thus, it would seem that, if the mark in issue was used only for obesity products by the defendant for the five years following registration, it could be revoked save in relation to obesity products. There is thus a powerful argument, at any rate on the face of it, for the view that, by merely failing to identify its specification sufficiently precisely, or by framing its specification too widely, an applicant for registration cannot be guilty of bad faith.”

“All I would say is that the fact that there is no equivalent of s.32(3) of the 1994 Act in the Directive means that this Court should be reluctant, rather than eager, to find in favour of the sort of argument raised by the claimant here.”

Neuberger J would not find that a wide terminology encompassing specific products would be an act of bad faith. This part of the Act is also to be applied with a good deal of caution and circumspection.

28) The statement of grounds of Exxon puts Capoco to proof in relation to its intention to use. It is for Exxon to prove its case, or at least to establish a prima facie case. In the absence of the establishment of a prima facie case Capoco is not beholden to do anything. The basis of the claim is that Capoco is a design company and not a transport or travel business, nor a vehicle manufacturing business. I do not see that the nature of the business of the applicant is of particular relevance. Capoco just has to have an intention to use the trade mark in relation to goods or services, or to give consent to another to do so. It does not have to manufacture or supply a service directly. Exxon’s argument challenges the basis of the numerous trade marks registered by or on behalf of sports stars and the like. Exxon claims that it has established a prima facie case. This case is somewhat outside of the usual run, as both sides have put in what is effectively the same evidence to establish the opposite outcomes. In my view, all Exxon has established is that Capoco is a design company, something that is not in dispute, and that it is involved in an urban transport project, something that is not in dispute. It has established nothing as to the intentions of Capoco at the date of application and so has not established a prima facie case that needs answering. Mr Harris argued that Capoco’s use of the trade mark is

contingent upon other factors. The issue of contingent use was dealt with by the hearing officer in YTV BL 0/042/99:

“I have no evidence before me that the Applicants are not serious in their aim to furnish the above services, nor that this aim was invalid at the time they made their application. They have explained why they have not, as yet, applied for a license to the ITC or RA and it seems to me that the application for the YTV mark could be one in a sequence of commercial steps of which such a license application is another. I therefore dismiss this ground of opposition.”

Use of any trade mark is contingent upon numerous factors eg financing, resolution of technical problems, marketing. The question is not whether an applicant has a viable business plan but whether it has an intention that was genuinely held at the date of application.

29) In the absence of the establishment of a prima facie case the claim under section 3(6) does not need answering and is dismissed. I would add that I see nothing surprising in a design company in applying for a trade mark for the goods and services of the application. It is easy to imagine that the trade mark could or would be used in relation to the goods and services which it has designed. If only manufacturers and direct providers of services were entitled to trade marks there would be a decimation of the ranks of applications and registration. The case for Exxon is based upon conjecture and assertion, not evidence.

30) It might be argued that from the evidence that it is unlikely that Capoco has an intention to use the trade mark in relation to air or water vehicles. However, taking into account the caution that Neuberger J considers necessary in dealing with these issues and that the use of large terms in specifications is the norm rather than the exception I consider that the scope of the claim in relation to class 12 is "acceptable commercial behaviour". The presence of section 32(3) diverges significantly from what happens in relation to Community trade marks and the practice of most member states. It also is not part of First Council Directive 89/104 of December 21, 1988 (the Directive covering the harmonisation of trade mark law in the European Union). A good deal of caution must be exercised in its application, it cannot become a backdoor way of demanding evidence of concrete plans in relation to all and every part of a specification; a form of revocation prior to registration.

**31) The ground of opposition under section 3(6) of the Act is dismissed.**

## **Likelihood of confusion -Section 5(2)(b) of the Act**

32) According to section 5(2)(b) of the Act a trade mark shall not be registered if because:

“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.”

Section 6 (1) of the Act defines the term earlier trade mark:

“6.— (1) In this Act an "earlier trade mark" means—

(a) a registered trade mark, international trade mark (UK) or Community trade mark which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks,

(b) a Community trade mark which has a valid claim to seniority from an earlier registered trade mark or international trade mark (UK), or

(c) a trade mark which, at the date of application for registration of the trade mark in question or (where appropriate) of the priority claimed in respect of the application, was entitled to protection under the Paris Convention or the WTO agreement as a well known trade mark.”

In determining the question under section 5(2)(b), I take into account the guidance provided by the European Court of Justice (ECJ) in *Sabel BV v Puma AG* [1998] RPC 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117 and *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV* [2000] FSR 77 and *Marca Mode CV v Adidas AG and Adidas Benelux BV* [2000] ETMR 723.

33) There is an issue as to the scope of the objection under section 5(2)(b) of the Act, whether it includes an attack on the class 12 goods of the application. I would have normally have dealt with this matter in this decision, as I advised at the hearing. However, a form TM5 was filed asking for a statement of grounds in respect of that issue. Consequently, a decision in relation to that matter is being issued at the same time as this decision.

34) In the event that I am wrong in relation to either the interpretation of the grounds of opposition or the refusal of the amendment of the grounds of opposition, I will deal with the class 12 goods of the application under section 5(2)(b) of the Act.

35) Exxon has made a claim under article 6bis of the Paris Convention for the Protection of Industrial Property; that part of the Convention which deals with well-known marks.

A trade mark with protection under article 6bis has the same rights as a registered trade mark, no more rights. In this case if Exxon could claim protection under article 6bis it would be for the goods that Capoco considers it has a reputation: lubricants and fuels, for which it is covered by its Community trade mark registrations. I cannot see, therefore, that Exxon can be in a better position in relation to this claim than in relation to its registered Community trade marks. I will, therefore, deal with just its Community trade marks. Community trade mark registration no 165415 includes the term *all goods in class 39*. I think it can be taken as read that goods should be read as services; class 39 only covering services. As the specification encompasses all the services in class 39 it must encompass the class 39 services of the application and so they are identical.

36) In relation to the attack against the class 12 goods, if there is such an attack, it is necessary to look more deeply at the issues involved.

37) In *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281, Jacob J considered that the following should be taken into account when assessing the similarity of goods and/or services:

- “(a) The respective uses of the respective goods or services;
- (b) The respective users of the respective goods or services;
- (c) The physical nature of the goods or acts of service;
- (d) The respective trade channels through which the goods or services reach the market;
- (e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;
- (f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.”

In *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117, the European Court of Justice held in relation to the assessment of the similarity of goods and services that the following factors, inter alia, should be taken into account: their nature, their end users and their method of use and whether they are in competition with each other or are complementary. I do not consider that there is any dissonance between the two tests. However, taking into account the judgment of the European Court of Justice, I may need to consider whether the goods and services are complementary.

Neuberger J in *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another* [2000] FSR 267 stated:

“I should add that I see no reason to give the word "cosmetics" and "toilet preparations" or any other word found in Schedule 4 to the Trade Mark Regulations 1994 anything other than their natural meaning, subject, of course, to the normal and necessary principle that the words must be construed by reference

to their context. In particular, I see no reason to give the words an unnaturally narrow meaning simply because registration under the 1994 Act bestows a monopoly on the proprietor.”

I also bear in mind the comments of Jacob J in *British Sugar Plc v James Robertson & Sons Ltd* where he stated:

“When it comes to construing a word used in a trade mark specification, one is concerned with how the product is, as a practical matter, regarded for the purposes of trade. After all a trade mark specification is concerned with use in trade.”

I take on board the class in which the goods or services are placed is relevant in determining the nature of the goods and services (see *Altecnic Ltd's Trade Mark Application* [2002] RPC 34). In relation to the comparison with services I firmly bear in mind the comments of Jacob J in *Avnet Incorporated v Isoact Ltd* [1998] FSR 16 (also see *Reed Executive plc and Reed Solutions plc v Reed Business Information Ltd and Reed Elsevier (UK) Ltd, totaljobs.com Ltd* [2004] ETMR 56):

“In my view, specifications for services should be scrutinised carefully and they should not be given a wide construction covering a vast range of activities. They should be confined to the substance, as it were, the core of the possible meanings attributable to the rather general phrase.”

Although it dealt with a non-use issue, I consider that the words of Aldous LJ in *Thomson Holidays Ltd v Norwegian Cruise Line Ltd* [2003] RPC 32 are also useful to bear in mind:

“In my view that task should be carried out so as to limit the specification so that it reflects the circumstances of the particular trade and the way that the public would perceive the use. The court, when deciding whether there is confusion under section 10(2), adopts the attitude of the average reasonably informed consumer of the products. If the test of infringement is to be applied by the court having adopted the attitude of such a person, then I believe it appropriate that the court should do the same when deciding what is the fair way to describe the use that a proprietor has made of his mark. Thus the court should inform itself of the nature of trade and then decide how the notional consumer would describe such use.”

38) In his skeleton argument Mr Harris advanced the claim that the class 37 services of Community trade mark registration no 82412 include a variety of vehicle related services.

39) The class 37 specification of Community trade mark registration no 82412 includes all services in the class; it also specifically identifies vehicle maintenance and repair service. I can think of few vehicles that do not require servicing, repair and maintenance; indeed for many of them there are legal requirements for such service. It is also the case,

especially in relation to motor vehicles, that such services are often provided by those who supply the vehicles. I do not think that there are many new car dealers who do not service, maintain and repair the cars that they sell. Car warranties usually require that any service is done by an authorised dealer, who is clearly identified with the name of the vehicle. Vehicles require maintenance, those who maintain the vehicles require the vehicles. There is a mutually dependent and symbiotic relationship between the goods and the services and consequently, in my view, the respective goods and services are most definitely and clearly complementary. (In considering the issues relating to similarity, I have to take into account normal, fair use in relation to all of the goods of the application and all of the goods/services of the earlier trade marks.) As I have indicated above the goods and services are very likely to be supplied by the same undertakings. **I consider that this is a case where the goods and services are often inextricably linked and consequently that there is a high degree of similarity.**

40) Vehicles require fuel and lubrication. However, this does not necessarily make fuel and lubricants similar to vehicles. The computer I am writing this decision upon requires electricity, it is essential to its function, this does not make it similar to electricity. When being serviced a vehicle may be lubricated. However, the lubricant will not necessarily be sold to the vehicle owner directly. In the normal course of events, in my experience, fuel and lubricants are sold in different undertakings to vehicles eg fuel and lubricants in services stations and lubricants in specialist shops such as Halfords. The goods when directly traded, in my experience, have different channels of trade. Exxon has put in no evidence to show that vehicle manufacturers badge lubricants with their name. Indeed, it has put in evidence to the opposite effect, showing vehicle manufacturers using Mobil oil; in its publicity Exxon makes much of this. One would not substitute one set of goods for the other, and so they are not in competition. The respective goods are not of the same nature. The user is only the same in the same way that the user of a washing machine is also using electricity. The respective goods are certainly complementary. However, taking the nature of the trades and all the differences, **I consider that lubricants and fuels are not similar goods to those of the application in class 12.**

### **Comparison of trade marks**

41) Three of the four earlier trade marks of Exxon are for the word MOBIL, the fourth is for the slightly stylised form which is represented in colour. I do not think that anything turns upon this slight stylisation. I will, therefore, make the comparison between the word MOBIL and the word mobilicity.

42) The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details (*Sabel BV v Puma AG*). The visual, aural and conceptual similarities of the marks must, therefore, be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components (*Sabel BV v Puma AG*). Consequently, I must not indulge in an artificial dissection of the trade marks, although taking into account any distinctive and dominant components. The average consumer 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 (*Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV*). “The analysis of the similarity between the signs in question constitutes an essential element of the global assessment of the likelihood of confusion. It must therefore, like that assessment, be done in relation to the perception of the relevant public” (*Succession Picasso v OHIM - DaimlerChrysler (PICARO)* Case T-185/02).

43) Mr Harris submitted that the beginnings of word trade marks were most important when comparing them. In this case mobility begins with mobil. He argued that the icity part of the trade mark added little to it. He submitted that the mobil element of the two trade marks gave a conceptual similarity to them relating to mobile or the mobil trade mark. I have to consider the trade marks in their entirety. That one trade mark appears in another does not make them similar. Mr Harris’s argument re the conceptual meaning of mobil as a trade mark, if an invented trade mark can be considered to have a conceptual meaning, presuppose a finding that the respective trade marks are similar; that one would identify the trade mark MOBIL within the trade mark mobility. The argument only works if the trade marks are similar and so it does not advance the issue greatly. I am not sure that MOBIL summons up the meaning of mobile. It is close to that word, obviously, but that does not mean that the average consumer of the goods and services concerned would make such a conceptual association. It requires some form of analysis and the public does not spend its time in analysing trade marks, philologically or otherwise. It certainly did not conjure up the meaning of mobile in my mind. This might have been the original intention, having been derived from the MOBIL OIL trade mark of the Vacuum Oil Company. Prior intention does not equate to present effect. Capoco’s trade mark first conjured up in my mind an association with the word mobility and secondly brought to mind the idea of mobility in the city. I do not consider that the respective trade marks can be considered to have the same conceptual associations, if they have any definite ones at all. If they do have conceptual associations these will be different and so militate against similarity. As the European Court of First Instance in *Phillips-Van Heusen Corp v Pash Textilvertrieb und Einzelhandel GmbH* Case T-292/01 stated:

“54. Next, it must be held that the conceptual differences which distinguish the marks at issue are such as to counteract to a large extent the visual and aural similarities pointed out in paragraphs 49 and 51 above. For there to be such a counteraction, at least one of the marks at issue must have, from the point of view of the relevant public, a clear and specific meaning so that the public is capable of grasping it immediately. In this case that is the position in relation to the word mark BASS, as has just been pointed out in the previous paragraph. Contrary to the findings of the Board of Appeal in paragraph 25 of the contested decision, that view is not invalidated by the fact that that word mark does not refer to any characteristic of the goods in respect of which the registration of the marks in question has been made. That fact does not prevent the relevant public from immediately grasping the meaning of that word mark. It is also irrelevant that, since the dice game Pasch is not generally known, it is not certain that the word mark PASH has, from the point of view of the relevant public, a clear and specific meaning in the sense referred to above. The fact that one of the marks at issue has

such a meaning is sufficient - where the other mark does not have such a meaning or only a totally different meaning - to counteract to a large extent the visual and aural similarities between the two marks.”

44) Phonetically and visually the respective trade marks coincide in relation to mobil; it also comes at the beginning of the trade mark of Capoco. The trade mark of Capoco has to be considered as a whole. I do not consider that it can be conveniently divided up so that one can say that one part is the distinctive and dominant element. The public are not in the habit of dividing trade marks up. Fundamentally, the argument of Exxon is that the mobil element of the trade mark will be seen and identified by the relevant public and that this brings about a similarity of the trade marks. This is the sort of case in which analysis does not get one very far. What is the overall impression and its effect of the trade mark, taking into account the goods upon which it will be used, the nature of the public and the nature of the purchasing decision? In making this consideration I bear in mind that the trade mark seems to me as a play on the word mobility; Exxon cannot claim a monopoly in the word mobility for goods and services inextricably linked to mobility. There is also the city element, adding to the play on words and indicating that the goods and services are aimed at urban environments. Exxon might argue that Capoco’s trade mark could be seen as indicating MOBIL goods for use in an urban environment. This is not the effect that mobilicity has upon me, it has the former effect. Mr Hobbs QC, sitting as the appointed person, in *Torremer* [2003] RPC 4 stated:

“At this point it is necessary to observe that marks which converge upon a particular mode or element of expression may or may not be found upon due consideration to be distinctively similar. The position varies according to the propensity of the particular mode or element of expression to be perceived, in the context of the marks as a whole, as origin specific (see, for example, *Wagamama Ltd v City Centre Restaurants Plc* [1995] FSR 713) or origin neutral (see, for example, *The European Ltd v The Economist Newspaper Ltd* [1988] FSR 283).”

In considering the respective trade marks one has to consider the similarities and the differences. Mr Geoffrey Hobbs QC, sitting as the appointed person in BL O/120/04, *Lee Alexander McQueen v Nicholas Steven Croom*, stated:

“The differences and the similarities had to be given as much or as little significance as the average consumer would have attached to them at the date of the opposed application for registration.”

and

“My difficulty is that in these passages of his decision the Hearing Officer has concentrated on the similarities to the exclusion of the differences between the marks in question. That might not have mattered if the marks differed only in respect of elements to which the average consumer would have attached little, if any, significance.”

**45) In this case I do not consider that the convergence in relation to mobil leads to the respective trade marks being distinctively similar; the differences outweigh the similarities. I do not consider the respective trade marks are similar.**

#### **Likelihood of confusion – conclusion**

46) To succeed under section 5(2)(b) of the Act the trade marks have to be similar; that is what the Directive states, it is what the Act states. It is what is pointed out in *Sabel*:

“it is to be remembered that Article 4(1)(b) of the Directive is designed to apply only if by reason of the identity or similarity both of the marks and of the goods or services which they designate, “there exists a likelihood of confusion on the part of the public”.”

A position re-confirmed by the ECJ in *Vedial SA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case C-106/03P*:

“Having found that there was no similarity between the earlier mark and the mark applied for, the Court of First Instance correctly concluded that there was no likelihood of confusion, whatever the reputation of the earlier mark and regardless of the degree of identity or similarity of the goods or services concerned.”

47) In relation to the issue of confusion Mr Harris referred to the reputation of the trade marks. However, that reputation relates to lubricants and fuels, not to goods that are similar or identical, although they might be considered ancillary. So I cannot see that the reputation can necessarily assist Exxon in relation to section 5(2)(b). Even if the reputation were to be taken into account it would not affect the outcome, reputation does not make the dissimilar similar (see *Marca Mode CV v Adidas AG and Adidas Benelux BV* re the limits of the effects of reputation). It seems to me that Exxon’s strongest case lies with the class 39 services of the application. These services are identical to those of Exxon, the purchasing decision in relation to such services is likely to be less educated and informed than in relation to the class 12 goods and so there is a greater probability of imperfect recollection having a greater effect. The distinctiveness or otherwise of the earlier trade mark has to be taken into account. The distinctive character of a trade mark can be appraised only, first, by reference to the goods or services in respect of which registration is sought and, secondly, by reference to the way it is perceived by the relevant public (European Court of First Instance Case T-79/00 *Rewe Zentral v OHIM (LITE)* [2002] ETMR 91). 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, judgement of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ETMR 585). As I have indicated above the reputation that the MOBIL trade marks is not for similar or identical goods. If MOBIL conjures up the concept of mobility it is not the strongest of trade marks in relation to

goods and services relating to allowing mobility. As I have indicated I am not sure that for the average consumer that this will necessarily happen. I consider that MOBIL must be accorded a reasonable amount of distinctiveness. The trade mark mobility brings to my mind mobility in an urban context, it does not bring to mind the trade mark MOBIL. **I do not consider that there is a likelihood of confusion. The ground of opposition under section 5(2)(b) is dismissed.** It is be remembered that I have decided that there was no ground of opposition under section 5(2)(b) against the class 12 goods of the application. Consequently, the decision in relation to the class 12 goods is only relevant in the event that I am found to be wrong in relation to the scope of the grounds or if I am found to be wrong in my refusal to allow an amendment of the grounds.

### **Section 5(3) of the Act**

48) At the time of the filing of the opposition section 5(3) of the Act read:

“(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.”

49) From 5 May 2004 the Act has been amended to include similar goods. The opposition was based upon non-similar goods. In his skeleton argument Mr Harris included an attack in relation to similar goods and services. The Office published a tribunal practice notice in relation to this issue – TPN 4/2004. This notice stated:

### **“3. Existing claims**

3.1 Although the ECJ’s judgements require Section 5(3) to be interpreted more widely, we will only take the wider interpretation into account if the claimant’s factual pleadings have been amended. Therefore, any party intending to rely, under Section 5(3), on identical or similar goods and services should request, at the earliest opportunity, an amendment of their statement of case.

3.2 Each request for leave to amend should be made (and will be considered) on a case by case basis; however, given the guidance from the ECJ we expect that favourable consideration will be given to most requests. In the event that leave to amend is granted, the other party to the proceedings will be given an opportunity to amend their counter-statement. The Registrar will not automatically allow any

additional time periods for the filing of evidence in support of the amended claim. If further time to file evidence is required then a formal request should be made.”

No request was made by Exxon to amend its statement of grounds. The only indication that it had decided to change the basis of this ground of opposition was in the skeleton argument. I do not consider that this is an appropriate manner in which to identify a change of claim. Exxon had plenty of time to amend its claim but made no request so to do. (In relation to this issue see *Mastercard International Incorporated v Hitachi Credit (UK) Plc* [2004] EQHC 1623 (Ch).) I refused to allow an amendment to allow consideration of similar goods/services in relation to section 5(3) of the Act. Nothing turns upon this refusal as the only goods for which there is a reputation, *lubricants and fuels*, have been found to be dissimilar to the goods in class 12. As Exxon has a registration which encompasses *lubricants and fuels*, registration no 82453, it cannot be in a better a position in relation to its claim under Article 6bis. Consequently, there is no need to deal with this claim in the context of section 5(3) of the Act.

50) On the basis of Capoco’s admission against interest Exxon has the requisite reputation. However, there is a requirement for the trade marks to be similar and I have already found in relation to section 5(2)(b) that they are not. The case law has established that in relation to section 5(3) a connection must be established between the earlier trade mark and the goods/services for which it has a reputation and the later trade mark and the goods/services it encompasses. In *Daimler Chrysler AG v Javid Alavi trading as MERC* [2001] RPC 42) Pumfrey J stated:

“there must be actual unfair advantage or detriment. But, for this to happen, there must be some sort of connection formed (I avoid the word association) between the sign used by the defendant and the mark and its associated reputation.”

In its judgment in *Adidas-Salomon AG and Adidas Benelux BV v Fitnessworld Trading Ltd* Case C-408/01 the ECJ confirms this view:

“29. The infringements referred to in Article 5(2) of the Directive, where they occur, are the consequence of a certain degree of similarity between the mark and the sign, by virtue of which the relevant section of the public makes a connection between the sign and the mark, that is to say, establishes a link between them even though it does not confuse them (see, to that effect, Case C-375/97 *General Motors* [1999] ECR I-5421, paragraph 23).”

That connection occurs because of a variety of factors and a global appreciation must be made (paragraph 30 of *Adidas-Salomon AG and Adidas Benelux BV v Fitnessworld Trading Ltd*). However, fundamental for that connection to be made there must be a similarity of the signs being compared; without that similarity the average consumer for the respective goods and services, who will be the public at large, will not make that connection. A lack of similarity, or sufficient similarity, will always torpedo claims under section 5(3) and it does under section 5(2)(b) of the Act.

51) It is also important to bear in mind that in *Mastercard International v Hitachi Credit (UK) Plc* [2004] EWHC 1623 (Ch) Smith J held that there “must be real possibilities as opposed to theoretical possibilities” of the damage claimed. In *Electrocoin Automatics Limited v Coinworld Limited and others* [2004] EWHC 1498 (Ch) Mr Geoffrey Hobbs QC (sitting as a deputy judge) stated:

“102. I think it is clear that in order to be productive of advantage or detriment of the kind proscribed, 'the link' established in the minds of people in the market place needs to have an effect on their economic behaviour. The presence in the market place of marks and signs which call each other to mind is not, of itself, sufficient for that purpose.”

**52) In the absence of similarity of the respective trade marks the claim under section 5(3) of the Act must be dismissed.**

**Passing-off – section 5(4)(a) of the Act**

53) Section 5(4)(a) of the Act states:

“4) 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,”

In this case the law relied upon by Exxon is the law of passing-off.

54) To succeed in passing-off all three parts of the classic trinity have to be established:

(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 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.

55) The first matter that I have to decide is the material date. It is well established that the material date for passing-off is the date of the behaviour complained of (see *Cadbury Schweppes Pty Ltd v Pub Squash Co Pty Ltd* [1981] RPC and *Inter Lotto (UK) Ltd v Camelot Group PLC* [2004] RPC 8 and 9). Section 5(4)(a) is derived from article 4(4)(b) of First Council Directive 89/104 of December 21, 1998 which states:

“rights to a non-registered trade mark or to another sign used in the course of trade were acquired prior to the date of application for registration of the subsequent trade mark”.

The material date cannot, therefore, be later than the date of the application for registration. In this case, in respect of the goods and services of the application, there has been no indication of use prior to the date of application. Consequently, the material date is the date of application: 31 May 2003.

56) Exxon has a business in the United Kingdom. On the basis of Capoco’s admission against interest and the evidence, it can be accepted that the sign MOBIL is associated with Exxon’s business in the United Kingdom in relation to lubricants and fuels. It has the requisite goodwill at the material date. However, I have already decided that the respective trade marks are not similar. Without similarity there will not be the requisite misrepresentation by Capoco and so the grounds based upon passing-off must fail.

**57) The ground of opposition under section 5(4)(a) of the Act is dismissed.**

Other than the ground under section 3(6), this case rested on the similarity of the respective trade marks. Were the trade marks similar or similar enough so that there would be confusion (section 5(2)(b) of the Act), connection (section 5(3) of the Act) or misrepresentation (section 5(4)(a) of the Act)? I am of the view that owing to the lack of a material similarity between the trade marks that there would be neither confusion, connection nor misrepresentation.

**COSTS**

58) Capoco Design Limited has been successful in this case and so is entitled to a contribution towards its costs. In Adrenalin Trade Mark, BL 0/040/02, Simon Thorley QC, sitting as the Appointed Person on appeal, observed that:

“ It is correct to point out that the Registrar’s practice on costs does not specifically relate to litigants in person but in my judgment it could not be that a litigant in person before the Trade Mark Registry could be placed in any more favourable position than a litigant in person before the High Court as governed by the CPR. The correct approach to making an award of costs in the case of a litigant in person is considered in CPR Part 48.6.”

Part 48.6 of the Civil Procedure Rules referred to in the above passage provides as follows:

“48.6—(1) This Rule applies where the court orders (whether by summary assessment or detailed assessment) that costs of a litigant in person are to be paid by any other person.

(2) The costs allowed under this Rule must not exceed, except in the case of a disbursement, two-thirds of the amount which would have been allowed if the litigant in person had been represented by a legal representative.”

I, therefore, will award Capoco two-thirds of the sum it would have been awarded if it had had professional representation.

**59) I order ExxonMobil Oil Corporation to pay Capoco Design Limited the sum of £733. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.**

**Dated this 14th day of December 2004**

**David Landau  
For the Registrar  
the Comptroller-General**