

O-025-10

TRADE MARKS ACT 1994

**IN THE MATTER OF REGISTRATION No. 2111027
STANDING IN THE NAME OF
INDIAN MOTORCYCLES LIMITED**

AND

**IN THE MATTER OF A REQUEST FOR A DECLARATION
OF INVALIDITY THERETO UNDER NO. 82788
AND A REQUEST FOR REVOCATION UNDER NO. 82896
BY INDIAN MOTORCYCLE INTERNATIONAL LLC**

BACKGROUND

1) On 24 September 1996, Alan Forbes t/a Motolux applied to register the following trade mark:



2) The trade mark was applied for in respect of the following goods:

Class 12: Motorcycles; parts and fittings for motorcycles.

3) The application was examined and accepted. The trade mark was published for opposition purposes. No opposition was filed, and the registration procedure was completed on 21 March 1997. On 23 February 2003 the mark was assigned to Indian Motorcycles Limited.

4) On 7 March 2007, Indian Motorcycle International LLC applied for a declaration of invalidity under sections 5(1), 5(2)(a), 5(2)(b) and 5(4) of the Trade Marks Act 1994 (the Act). The grounds are, in summary:

- a) The applicant for invalidity is the proprietor of CTM 000287904 which is identical or virtually identical to the mark in suit and covers identical goods. The CTM has a filing date of 11 July 1996 and so is an earlier trade mark. The CTM was registered on 8 July 2004 and so has been registered for less than five years and there is therefore no requirement to show use.
- b) The applicant for invalidity has a reputation and/or goodwill in the UK for the mark shown in CTM 000287904 in relation to motorcycles and goods associated with motorcycles. That reputation and goodwill predates the application date of the mark in suit or the first use of the mark in suit as a trade mark if earlier.
- c) Indian is a famous brand of motorcycle and Indian Motorcycle International LLC is the successor in title to the original manufacturers. Documents showing the transfer of intellectual property rights have been provided as have assignments which show that the applicant has rights in CTM000287904. The original applicant was IMCOA Licensing America Inc. (hereinafter IMCOA) who assigned all its intellectual property rights to Credit Managers Association of California (hereinafter CMAC) on 12 May 2004. CMAC assigned the rights to Indian Motorcycle International LLC on 21 July 2004.
- d) The Indian mark is well known and is an old mark associated with the Indian brand of motorcycles. Extracts from two books showing the history of the brand are provided and one of the books shows that Mr Alan Forbes has been aware of the true ownership of the brand for many years.
- e) CTM000287904 was opposed by Alan Forbes t/a Motolux. The opposition was based upon prior use and reputation. However, the OHIM Board of Appeal found that the evidence did not establish any prior use or reputation. A copy of the decision is

provided. Also in a previous trade mark case, GB211029, Mr Forbes provided evidence which was alleged to show prior use of the mark in suit, but the Hearing Officer found this not to be trade mark use, but merely denoting the type of goods. It showed that Mr Forbes was a dealer in and repairer of original Indian Motorcycles.

5) On 24 April 2007 the Registered Proprietor filed a counter-statement which consists, in essence, of a denial of the grounds on which the request for invalidation is based. They dispute that the applicant's CTM is validly registered and they question whether the applicant has title to the CTM. Further, the registered proprietor states that it has been using the mark for over five years in the full knowledge of the applicant and so Section 48(1) applies. The registered proprietor contends that neither the applicant nor its predecessors have any reputation in the mark in suit in the UK. The registered proprietor claims to have been using the mark in the UK since 1976. He also provides a copy of an invoice and a photograph of a new Indian motorcycle he claims he sold on 9 July 1987.

6) In addition, Indian Motorcycle International LLC by an application dated 22 June 2007, applied for the revocation of the registration under the provision of Sections 46(1)(a) & (b) claiming there has been no use of the trade mark in suit since its registration or in the five year period 7 June 2002- 6 June 2007. They are seeking revocation on either 7 June 2007 or 23 March 2002.

7) The registered proprietor filed a counterstatement on 10 October 2007 stating that the mark had been used on all the goods for which it is registered.

8) The cases were consolidated late in the day but the evidence of both sides is ostensibly the same although it does appear in a different order. I have summarised below the evidence filed for the invalidity case. However, where there are differences with the evidence filed in the revocation action I have included this in my evidence summary, and made such inclusions clear as to their origins. Throughout I shall refer to Indian Motorcycles Ltd as the registered proprietor and Indian Motorcycle International LLC as the applicant.

9) Both sides filed evidence in these proceedings. Both ask for an award of costs. The matter came to be heard on 24 June 2009 when the registered proprietor was represented by Mr Malynicz of Counsel instructed by Messrs Marks & Clerk. The applicant was represented by Mr Hackney of Messrs Mewburn Ellis LLP.

APPLICANT'S EVIDENCE

10) The applicant filed three witness statements, both by Nigel John Hackney the applicant's Trade Mark Attorney. The first statement dated, 23 October 2007 is simply to enter a number of exhibits. These, in summary are:

- NJH1: A copy of a print out of the CTM 000287904 which shows that the applicant has an almost identical mark registered for goods and services in Classes 4, 12, 32, 33, 34 and 42. The mark was filed on 11 July 1996 and registered 8 July 2004.
- NJH3: Copies of Court Orders from the Colorado District of the USA, dated 8 February 1999 and 11 May 1998, dealing with the disposal of the intellectual property rights of various companies. These documents show that IMCOA obtained a variety of "Indian" trade marks from various USA companies.

- NJH4: Assignment of intellectual property rights in various “Indian” trademarks by IMCOA to CMA Business Credit Services on 12 May 2004 in USA.
- NJH5: Assignment of the same trade marks in NJH4 by CMA Business Credit Services to Indian Motorcycle International LLC dated 21 July 2004.
- NJH6: Schedule of Indian Motorcycles International LLC trade mark registrations.
- NJH7: Extracts from two books about Indian Motorcycles including one showing a picture of Mr Forbes and a 1931 vintage motorcycle, very similar to the “new” machine Mr Forbes states that he has sold.
- NJH 8: A large number of press articles about the re-launch of Indian motorcycles by Indian Motorcycle International LLC. Most are from USA publications but included in this exhibit are international publications and some UK publications. These include *Forbes*, *Cycle World*, *Bike UK*, *GQ* and *Stuff* magazines. These date from September 2001 through to the end of 2003. They refer to a new line of Indian motorcycles, showing pictures and in some case details of engine sizes etc.
- NJH9: A copy of the OHIM Board of Appeal decision. Mr Forbes opposed the applicant’s CTM application on 4 May 1999, claiming that he had been using the instant mark and another similar mark in respect of motorcycles, motorcycle parts and fittings and motorcycle repair and restoration services since 1976.
- NJH10: A copy of the Hearing officers report maintaining the Registry’s objection to the application by Mr Forbes to register the mark, due to a lack of evidence of use as a trade mark.
- NJH2: Consists of a copy of a declaration by James J Kelly the Vice President and Chief Financial Officer of Indian Motorcycle Corp and its subsidiary IMCOA Licensing America Inc. He states that the Indian brand of motorcycles was produced until 1953 although the manufacturer continued to make apparel and motorcycle accessories until it went bankrupt in 1961. During the 1970s several companies tried to revive the trademark but by the 1990s they were all bankrupt. Specifically he refers to Indian Motorcycle Company Inc., Indian Motorcycle Manufacturing Inc., Indian Motorcycle Apparel and Accessories Inc, and Indian Motorcycle Manufacturing Inc. He then states:

“5. The trademark rights of all of the companies in bankruptcy, as well as the trademark rights of at least three other US companies, Indian Motorcycle Supply Inc, American Indian Motorcycle Company Inc, and Indian Motorcycle Company Inc, were purchased by IMCOA Licensing America in February 1999. By this purchase, IMCOA essentially purchased all of the rights in the United States to the trademarks related to the manufacture and promotion of the Indian motorcycle. In addition, IMCOA also acquired a wide range of International trademark applications and registrations.

6. Since IMCOA’s purchase of these trademark rights, Indian Motorcycle Corp, through license from IMCOA Licensing America Inc, has manufactured motorcycles bearing the INDIAN trade mark for model years 1999 and 2000.

7. IMCOA has also licensed Indian Motorcycle Corp and Indian Motorcycle Café to manufacture apparel in the United States and Canada.

8. In addition IMCOA recently acquired the trademark rights of Jurgen Brand and Quartermaster S.r.l. which had both filed applications and obtained registrations in many foreign countries. I also understand that Mr Brand licensed the use of his trademark rights for the manufacture of a motorcycle in the European Union and the Quartermaster S.r.l. has manufactured several lines of apparel that have been distributed internationally bearing the Indian and Indian Motorcycle trademarks.”

11) The second witness statement by Mr Hackney is dated 23 October 2007. He attaches as exhibits two affidavits. The first, dated 29 June 2007, is by Dale Walksler the Curator and founder of the Wheels Through Time American Transportation Museum in Maggie Valley, North Carolina. He states that he has been involved in the vintage motorcycle industry for over forty years and has a particular interest in vintage American makes and models. He identifies the motorcycle that Mr Forbes states that he sold in 1987, in his counter statement (see paragraph 5), as a genuine Indian 101 scout model built by Hendee Manufacturing Company in Springfield, Massachusetts between 1929 and 1931. He provides a number of photographs of genuine Indian bikes and contrasts these with the photograph provided by Mr Forbes. There are a number of similar features.

12) The second affidavit, dated 29 June 2007, is by Ivar Natins who states that he has been an Indian Motorcycle enthusiast for over thirty years and has worked with one of the two major American suppliers of Indian motorcycle reproduction parts. He states that the machine sold by Mr Forbes in 1987 is a modified Indian 101 Scout model originally built between 1929 and 1931. He also states that there are a number of similarities between the genuine article and that sold by Mr Forbes.

REGISTERED PROPRIETOR’S EVIDENCE

13) The registered proprietor filed three witness statements. The first, dated 30 January 2008, is by Dawn Moodie the registered proprietor’s Trade Mark Attorney. She attaches a number of letters to her statement which I summarise below:

- Dr P Moore, Lecturer at University of Ulster: He states that he meets with many key figures in the creative and popular culture industries and that Mr Forbes and his company, Indian Motorcycles Limited are well known in such circles. Dr Moore himself owned a motorbike built by Mr Forbes, which he describes as a mix of old and new which he describes as “retro”. He states that Mr Forbes has been mentioned in books, magazine articles, television programmes as well as motorcycle rallies and is “the” person to contact regarding Indian motorcycles in the UK. He recalls seeing two motorcycles built by Motolux at a show in Blakeney in 1992 and a second at a show in Sheffield in 1993. He took a note of the engine numbers and states that they do not appear in the original Indian number catalogue and were clearly new numbers.
- Robert Myers; Director of Lifestyle and Accessories at Indian Motorcycle Corporation (IMC) from August 2002 until its closing in September 2003, at which point the company ceased doing business. He states that IMC were aware, from 1999, of Mr Forbes and the four cylinder Indian Motorcycles he was making in the UK. He states that to avoid infringement action IMC did not enter the UK market as Mr Forbes’ use of the “Indian” mark predated that of IMC. They therefore tried to integrate his expertise and reputation

into IMC. They met with Mr Forbes in the UK and USA. IMC also sought to sell accessories to Mr Forbes for use on his bikes. However, IMC folded prior to any agreement being reached. Mr Myers states that he was aware of the activity of Mr Forbes in the UK in the early 1990s prior to joining IMC. He states that the resurrection of the Indian Brand awareness he attributes to the efforts of Mr Forbes. It was due to this that IMC was formed to exploit the Indian brand awareness. He states that as far as he is aware IMC never used the mark in suit as it would have offended Native Americans.

- Hugo Wilson, Editor, Classic Bike Magazine based in Peterborough states that he has “known Alan Forbes as an Indian marque expert, maker, dealer and parts supplier for twenty years, though his business was already well established when I first met him.” Mr Wilson purchased an Indian bike from Mr Forbes in 1996, and states that at this time Mr Forbes was building up “bobber” style Indian V-twin motorcycles and subsequently four cylinder models. He states that Mr Forbes’ commitment to making spare parts has been crucial to getting more bikes on the road, and that Mr Forbes has consistently promoted the Indian brand by generating media interest.

14) The second witness statement, dated 29 January 2008, is by Alan Forbes, the Managing Director of Indian Motorcycles Limited. He confirms that he, personally, applied for trade mark 2111027 on 24 September 1996 and that the mark was assigned to his company on 23 February 2003. Prior to the assignment the company used the mark with the consent of Mr Forbes. Exhibit AF1 shows that Fotolux Limited was incorporated on 21 November 1995 and the name changed to Indian Motorcycles Ltd on 23 June 1999. He states:

“2...Following the assignment of No.2111027 to my company. I, Alan Forbes trading as Motolux Indian, have used the Trade Mark with my company’s consent, in addition to the use made of the trade mark by my company itself. The approximate turnover of the Motolux Indian business under the mark for the six year period preceding 5 April 2007 was £140,000.”

15) However, in the evidence filed in the revocation case between the parties, Mr Forbes stated in his witness statement, dated 10 April 2008:

“8. The approximate total turnover of the Motolux Indian business/Indian Motorcycle business under the mark for the five year period preceding 5 April 2007 i.e. year ending 5 April 2003 to 5 April 2007 was £100,200.

The approximate turnover of the Motolux Indian business/Indian Motorcycle business under the mark for the five year period ending 5 April 1997 to 5 April 2001 was approximately £145,300.”

16) Later he states:

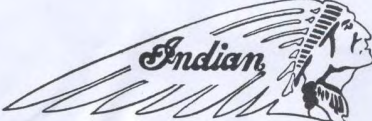
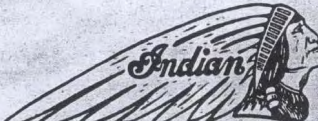


“20. Although the turnover figure for the year ending April 2005 is £54,342, I confirm that the payment for the motorcycles referred to in paragraph 6 of my previous statement in these proceedings was staggered over the period 2004-2006 i.e. they were invoiced in different financial years. Further, I confirm that the invoice dated 6 July 2004 in exhibit AF5 [AF12] to my previous statement was a deposit of £10,000 plus VAT against a final price of £19,359 plus VAT.”

17) He confirms that the mark in suit has been used by himself and/or his company since 1976 on motorcycles and parts and fittings for motorcycles. He states that spare parts for motorcycles have been produced, manufactured and sold by his company and motorcycles refurbished, restored and repaired and complete motorcycles sold in the UK and also exported from the UK. He states that the motorcycles he produces are luxury items selling at approximately £20,000 each, and that many are not registered by the DVLA as they are not used on the road. Each bike is bespoke and often exported.

18) Mr Forbes states that should the applicant’s alleged earlier rights be found valid, he is entitled to rely upon the provisions of Section 48(1) of the Trade Marks Act 1994 as they were aware of his continuous use of the mark in suit for more than five years. He states:

“7.....Apart from the direct evidence of acquiescence submitted herewith, de facto acquiescence is obvious as it would frankly be impossible and incredible for the Applicant for Invalidity to be unaware of me and my Company’s use and reputation in the Trade Mark. Further, in any case, the evidence set out in this document shows that it is my Company and myself that have acquired the goodwill and reputation in the Trade Mark in the United Kingdom, such goodwill and reputation pre-dating both the date of filing of Community Trade Mark Registration No.287904 in the name of the Applicant for Invalidity i.e. 11 July 1996 and any alleged claim to goodwill (which is denied). “

19) The exhibits contain variations of the mark in suit. A list of the marks used can be found in the attached annex. Mr Forbes provides the following exhibits (bold = invalidity evidence; italics =revocation). Reference is made in my description of these exhibits to images. These are shown here for ease of reference.

Image 1		Image 2 Registered mark	
Image 3		Image 4	

- **AF2:** A copy of his counterstatement which includes an invoice dated 9 July 1987 for the sale of a “New Indian motorcycle, Model 101, Frame number I-AF-05, Motor number 1-AF-05, total cost £3,250. The invoice does not carry a company name, simply image 2 and the address in Edinburgh.
- **AF3/AF 13:** A copy of the pocket guide to the UK Motorcycle Industry, dated 2006, and produced by the Motor Cycle Industry Association. These show that in the field of custom bikes only 11,020 were sold in the UK in 2006 with the fifth best in this category selling only 405 bikes.
- **AF4:** Four invoices for the period February 1993 – November 1994. All have image 1 at the top with the words “Indian” and “Motolux” printed at the bottom along with the address. One for small parts costing £170 and three for motorcycles. There are three invoices for motorcycles. The first dated 22 February 1993 refers to a “New Indian

Motorcycle, Frame number I-AF-21 and the motor number also being I-AF-21. The invoice is for £5,050. The second invoice, dated 9 Aug 1994 is for an Indian Four motorcycle, Frame & motor number 4-AF-6, for £8,400. The third invoice, dated 30 November 1994 is for an Indian Four, but no frame or motor number is provided. The amount of the invoice is £8,525. There are also two shipping invoices which presumably relate to the second invoice as this has an address in Germany. These are addressed to "MOTOLUX". There are then a series of fourteen invoices from April 2002 to February 2005 for spare parts for motorcycles and refurbishment and repair of motorcycles, and one (0976 dated 1 October 2004) for the sale of what is described as a "1941 Indian Sport Scout...Genuine "Bonneville" machine originating from Akron, Ohio, USA" The engine number is FDA 1116 BM, and the frame number 641 1116. This machine was sold for £15,000. The total of the other invoices being approximately £6,000. All the invoices have the word "Indian" at the top, underneath this in smaller print the word "Motocycles" and underneath that but in the largest print of all the word "MOTOLUX". Underneath this is image 2. At the top right the invoice also has a logo device of the head of a Native American with the words "Indian Motorcycle Hendee Manufacturing Co. Springfield Mass. USA" around the logo. This logo also appears as a very large watermark in the paper that the invoices are printed upon.

- AF14:** Similar to AF4 above except this exhibit does not contain the invoices for the period February 1993-November 1994. However, it does contain all the other invoices mentioned above and some additions. Most are for spare parts and are of relatively low value i.e. under £500 and have image 2 upon them. But Mr Forbes draws particular attention to three invoices. Invoice number 0960D, dated 21 June 2004, is for £5,000 and refers to a machine which was the personal possession of Mr Forbes for the period 1989-2004. The invoice has image 3 upon it and the machine is described simply as a "101 Scout 750cc". The next invoice number 0976D, dated 1 October 2004, is for the sale of a motorcycle for £15,000. This would appear to be the same item as that mentioned in **AF4** above although curiously it is on different headed paper and lacks any of the detail regarding provenance, engine number, frame number etc which would surely add value to the item. It also displays image 3. The final invoice number 1171D, dated 10 March 2007, relates to the payment of £10,000 in part payment for an Indian motorcycle with the balance of £8,000 to be paid on delivery. This invoice also has image 3 upon it. For whatever reason he does not draw attention to invoice number 1089D, dated 1 February 2006, which relates to the receipt of £4,505 in part payment for an Indian V-twin with the balance of £1200-£1500 to be paid upon completion of the motor and transmission. This invoice also has image 3 upon it. However, there is also a group of three invoices dated between 25 March 2003-17 July 2005 which have only image 3 and the words "INDIAN MOTORCYCLES" underneath it. These are for spare parts and repairs, totalling approximately £4,500. On an identical invoice to these last three is one dated 23 May 2003 which relates to a deposit for a complete machine of £2000.
- AF5/AF15:** An invoice for US\$81 for a video and motorcycle parts dated sometime prior to June 1999 from a customer in the USA. This has a completely different letterhead consisting of image 4 which has two image 2's facing each other and between, the words "MOTOLUX", "INDIAN" and "EDINBURGH" one underneath each other.
- AF6:** A copy of a letter, dated April 2007 from Mr Maddocks who confirms that in 1987 he purchased what he describes as a "new Indian Motorcycle" from Mr Forbes. He states that it was built to order, a copy of the invoice, dated 9 July 1987, for £3,250, and a

photograph of the bike, are also attached. Both the invoice and the bike have image 2 upon them, but no other visible trade marks.

- **AF7/AF28:** This consists of a letter from Dr Moore which has been summarised at paragraph 10 above.
- **AF8:** A photograph of a bike said to have been taken in 1996 which shows image 1 used on the petrol tank.
- **AF9/AF16:** A parts catalogue from “circa 1997” showing a range of parts manufactured to Mr Forbes’ specification. The catalogue is headed “INDIAN OWNERS, UPGRADE YOUR RESTORATION WITH THESE NEW PARTS”. The two items on the front page are both gas tank decals showing images 1 & 3. The description for the first one states; “Here is the ultimate full colour decal! Over 300 hours have gone into digitally retouching and colour enhancing an original to achieve this fantastic result! This is the way these decals looked when fresh off the multiple stone litho plates in the late 1930’s. The gas tank is the central point on a motorcycle and these decals are the centrepiece.”
- **AF10/AF17:** a copy of the letterhead used by the registered proprietor since 2002, and also a sample banner used on many of the e-mail headers since 2005, both of which feature image 3. The letterhead is different from that used in the various invoices etc filed as other exhibits.
- **AF11/AF2 & AF18:** Copies of a parts lists, dated August 2003, for “Indian 4 1928 and 1942” and “Indian 741-B 1941-43”, and copies of the parts list for the “Indian Chief 1931-53” dated December 2003 and July 2005. These have the word “INDIAN” in very large print across the top. They then have the words “Parts List” the designation of bike type as already stated and then image 3 upon them.
- **AF12/AF5:** A copy of an invoice, number 008 54B, in relation to an Indian 4 motorcycle, model Dakota frame number IND 4-030 154, for £22,746 dated July 2004. This has image 3 upon it. Also provided are photographs of the motorcycle which shows a number plate which corresponds to the invoice (SN03 TTE) and a copy of the registration certificate provided by DVLA, with the registered keepers name redacted. However, the registration is dated 13 June 2003. The photographs show use of image 1 upon the petrol tank.
- **AF34:** This has an invoice number 0014CB dated 1 August 2004 in relation to an Indian Dakota motorcycle, frame number IND-4-030 153 and is for £14,613.62 pre VAT and £17171 including VAT. Delivery address of Canada. The second invoice number 0015 CB is dated 6 August 2004 in relation to an Indian Dakota motorcycle, frame number IND-4-030 154 and is for £14,613.62 pre VAT and £17,171 including VAT. Delivery address of Canada. Given that the frame number is the same as that in **AF12** above it is not clear why the other details differ. The next invoice, number 009 59 B is dated 12 August 2006 and refers to an Indian Dakota, frame number IND-4-030 163 and is for the amount of £20, 680 including VAT. Delivery address in London. I note from **AF13/AF6** below that this machine was registered on 13 June 2003. In addition invoice number 009 62 B, dated 2 September 2006 refers to an Indian Blackhawk, frame number IND-V2-101X, for the amount of £15,222.12 including VAT. All these invoices have image 3 upon them. This has a delivery address of London.

- **AF13/AF6:** Copies of two further registration documents from the DVLA in relation to Indian Dakota 4 motorcycles SN03 TVX, frame number IND-4-030-160 and SN03 TSU, frame number IND-4-030-163, dated 1 June 2003 and 13 June 2003 respectively. Both have the registered keepers name redacted.
- **AF14/AF19:** Various copies of pages from the registered proprietor's website. These are mostly undated although a few are dated December 2001. I note that image 1 is used throughout on the pictures of motorbikes. One page states:

“The UK Indian company has been deeply involved in such activities as making parts, organising “Indian gatherings”, recreating and restoring older Indians, supplying enthusiasts around the globe since the 1970's. We are proud to say our company is able to service ANY Indian from 1901-53 in addition to our new Indian Dakota 4.”
- **AF15:** An invoice from Wide Art Design Consultants, dated December 1994, addressed to “Alan Forbes/Motolux products” in relation to “8 page book/catalogue promoting Indian/Motolux products”.
- **AF16:** A copy of an invoice dated March 1996 to “Motolux –Lux Leather” in relation to a stand at the motorcycle show at the Royal Highland Centre. The show took place on 23-24 March 1996 and Mr Forbes confirms that motorcycles and parts bearing the mark in suit were exhibited there.
- **AF17/AF1:** A copy of a brochure said to be from 1999 showing details of a motorcycle bearing the name Indian and image 1. However, it has a copyright date of 2000. Mr Forbes states that these were distributed at exhibitions to potential customers.
- **AF18/AF3:** Consists of the front page of the show guide for the International Motor Show in 2001 and a copy of an advertisement on behalf of the registered proprietor which appeared on page 89 of the guide stating that they would be at the London Motor show in March 2002. The photograph of the motorbike has image 1 upon it.
- **AF20/AF7:** Copies of advertisements in “*Old Bike Mart*” dated August 2006 and October 2006 and invoices for the March, April and June 2007 editions. I note that the advertisement has the following as its first line: “Concours Winning Restorations”. Copies of the programme for the Festival of 1000 bikes at Mallory Park July 2006, and also *Real Classic* magazine, dated September 2006 and *The Classic Motorcycle* magazine, dated October 2006 are also provided. These all have advertisements for the registered proprietor which have the words “Bought. Sold. Traded. Spares. Repairs. Motor rebuilds. World Class Restorations.” Alongside the name of the company. These advertisements also feature image 2.
- **AF21/AF21:** A letter from Advertising Manager for the “*Old Bike Mart*” magazine. She confirms that the registered proprietor has advertised in the magazine since March 2002, and has used image 2.
- **AF22/AF8:** Two brochures for NGK spark plugs dated 2002 and 2007 which list the Indian Dakota 4 machine of the registered proprietor and state which spark plug produced by NGK fit that machine.

- **AF23/AF22:** A certificate from the Motorcycle Hall of Fame in Ohio, stating that the registered proprietor exhibited an Indian Dakota 4 as part of the “Century of Indian” exhibit. Mr Forbes states that the applicant company was also present at this exhibition which ran from June 2001 to October 2001.
- **AF24/AF4:** Mr Forbes states that he has played a major part in many Indian motorcycle rallies in the UK and elsewhere. He provides articles from a magazine and newspaper relating to one such rally in 1995 and a letter from the President of the Indian Motorcycle Club of Great Britain stating that Mr Forbes and his company attended a rally in July 2004.
- **AF25-32/AF9-10, AF23-27, 29-30 & 32:** Mr Forbes provides numerous copies of letters from members of the public, and some in the trade, which he claims show that he has a reputation in the mark “Indian” and also in the mark in suit. He highlights a reference to a telephone conversation in the 1970s and his attendance at an exhibition in 1994. Others mention his work in restoring old machines as well as manufacturing new machines and providing advice and spare parts.
- **AF33/AF11:** This contains numerous press and magazine articles referring to Mr Forbes business of restoring old machines, providing spare parts and manufacturing new machines.
- **AF34:** A DVD of a television programme from 1995, repeated in April 2005, broadcast on the Discovery channel. Whilst Mr Forbes appears in this programme it does little to assist him as he appears as little more than an enthusiast who purchased a shop to obtain its old spares for Indian motorbikes.
- **AF40/AF33:** A letter from Mr Liam Brodrick, dated January 2008. This states that Mr Brodrick works for the DVLA in Edinburgh, and that Mr Forbes is well known to the office and that “DVLA do not divulge names, addresses or vehicle details due to strict rules of confidentiality, but I am able to confirm that Indian motorcycle registrations made on behalf of Alan Forbes and his company over the years are numbered in the 100’s.”

20) Mr Forbes takes issue with the applicant’s comments that the ownership of the Indian brand rests with the applicant. He states that the original manufacturer ceased production in 1953. He states that contrary to the applicant’s claim Indian motorcycles did not provide the majority of motorcycles to the American armed forces in World War II, this honour fell to Harley-Davidson. He denies that the motorcycle in the photograph attached to his counter-statement (see paragraph 5) is a modified Indian 101 Scout, reaffirming that it is a new machine built in the style of the original Indian motorcycles.

21) He also filed a witness statement, dated 11 April 2008, in which he states that in February 2006 his company was contacted by the Make-A-Wish Foundation asking them as makers of Indian motorcycles to attend a Charity Film Premiere of the film *The World’s Fastest Indian*. He states that they attended and exhibited one of their new Indian motorcycles at the event.

APPLICANT’S EVIDENCE IN REPLY

22) The applicant filed six witness statements in reply. The first, dated 11 March 2008, is by Nigel Hackney the applicant’s Trade Mark Attorney. He provides a number of exhibits which he states

contradict certain unsupported assertions by Mr Forbes and others which put his comments into perspective. I summarise the exhibits below:

- NJH11: Accounts for the periods ending 30 April 1997 through to the period ending 30 April 2006. These show that the company, Indian Motorcycles Limited, was dormant from 1 May 1996 – 30 April 1999. In the year ending 30 April 2000 the turnover was £0 (zero), and the following year £15,009. No turnover figures are provided for the following years.
- NJH12 & 13: Consist of a book about the Indian marque and three magazines (two about classic bikes and one about Volkswagen cars). Mr Hackney states that these will put Mr Forbes comments into context but doesn't say anything further about them. It is clear from the magazines that it is common for advertisements to have the name of a manufacturer such as Norton, Triumph, VW, etc in order to advertise that the company who placed the advertisement carries parts for that marque or can provide services in relation to them.
- NJH14: This provides details of an Internet archive site which provides details of when websites began. It shows that the registered proprietor's website, www.indian-uk.com, began on 25 May 2002 and is now defunct. The last page for this website is unlike that shown in the registered proprietor's evidence.

23) Mr Hackney provides another witness statement, dated 23 April 2008. This is used simply to exhibit the following witness statements. These witness statements have also been separately filed.

24) The first statement, dated 16 April 2008, is by Ivar D. Natins who provided an earlier statement. He states that he has been involved with American suppliers of replacement parts for Indian motorcycles and that he has been an enthusiast for the marque for thirty years. In his earlier statement he stated that the machine sold by Mr Forbes in 1987 was an old model which had been restored and customised or bobbed. This was disputed by Mr Forbes, who also produced photographs of machines he sold in 1996. Mr Natins states that having viewed these 1996 photographs he believes that these machines were also a customised genuine old Indian motorcycle. He states that this is how it would be viewed by others.

25) The second witness statement, dated 18 April 2008, is by Dale Walksler, who has provided evidence previously and who is an expert on vintage motorcycles through his work as a curator of a transport museum, and particularly Indian motorcycles. He has also considered the photographs of the bike that the registered proprietor sold in 1996. He states that the bike appears also to be a replica of a genuine Indian motorcycle, just like the 1987 bike, the only difference being the headlamp. He states that the bike is designed to be a replica of an Indian motorcycle and would be viewed as a replica of a genuine Indian motorcycle.

26) The third witness statement, dated 17 April 2008, is by Jennifer Lee Taylor a lawyer representing the applicant. This has at exhibit JLT1 a letter from Mr E Youngblood. He states:

“I was on the staff of the American Motorcyclist Association for 28 years, and served as its president from 1981 through 1999. Today my business is as a writer, historian and consultant to companies and organisations interested in motorcycle history. My clients have included the Guggenheim Museum, the Orlando Museum of Art, the Motorcycle Hall of Fame Museum, and the Columbus College of Art and Design. Specifically, in regard to the Indian brand, I was the curator for the Century of Indian Exhibit that opened at the

Motorcycle Hall of Fame Museum in 2001, and I am the author of the book “A Century of Indian”, and a number of published articles on the history of the Indian brand.

In my opinion, a “replica” motorcycle is a machine that uses fabricated or reproduced parts, sometimes mixed with original parts, to create a motorcycle that is reasonably accurate in appearance to an original-equipment machine once offered by a recognised brand, including Indian. Replicas can exist as one-off special machines, or they are sometimes manufactured in limited quantities for sale to enthusiasts and collectors of antique and vintage motorcycles. Typically, pre-1950 motorcycles are the subject of replication. Necessarily, replica motorcycles will display the logos of the original brand, since this is in fact the point of the replication process. The use of the recognisable logo is a part of the overall replica design and does not suggest or prove that the motorcycle in question is an authentic pre-1950s product.

Over time, as the remaining original vintage and antique motorcycles have been located, preserved and restored, the market for replication of parts and sometimes complete motorcycles has become ever more vital and necessary to the antique motorcycle community. In fact, there are specific models of some brands- such as the 1940s Indian Chief-for which replica machines can be assembled almost entirely from newly-reproduced parts. This has become true especially for the Indian brand where there is a significant demand for examples from the “classic era” beginning in the mid-1930s and extending through the early 1950s.”

27) The fourth witness statement, dated 16 April 2008, is by Frank O’Connell the former President, Chief Executive Officer and Chairman of Indian Motorcycle Corporation (IMC) and IMCOA Licensing America Inc., the predecessor in interest to the applicant for revocation. He held these posts from November 2000 until June 2002. He states:

“10.I do know that Mr Forbes occasionally met with others at IMC, including Fran O’Hagan, our IMC’s Vice President, and Lou Terhar, our then CEO, at various motorcycle events and rallies and that they had occasional discussions regarding the possibility of some future collaboration. Although we never seriously entertained a collaboration with Mr Forbes, we saw no need to close the doors on anyone who was interested in the INDIAN motorcycle.

11. Mr Myers incorrectly suggests that IMC did not enter the U.K. market with its motorcycles to avoid infringement of Mr Forbes’ rights. This is not at all true. During its entire existence, IMC was struggling with so many difficulties with its motorcycles that it was not in a position to give any thought to markets outside of the U.S. We did, of course, eventually hope to re-introduce the INDIAN motorcycles into all of the primary cruiser motorcycle markets, including Canada and Europe, but those were only long-term ambitions. Because we never had any concrete plans to sell the bikes outside of the U.S., Mr Forbes’s activities in the U.K. had no bearing on the fact that we never ended up selling bikes outside of the U.S.”

28) He states that he has read the statement by Mr Myers and that Mr Myers is commenting on areas that were far outside his area of responsibility and that he, Mr Myers, cannot speak on behalf of IMC. He states that Mr Myers is totally incorrect in stating that IMC did not enter the UK because of the activity of Mr Forbes. IMC were aware that Mr Forbes was selling spare parts for Indian motorcycles, that he held trade mark registrations in the UK and was seeking to collaborate

with IMC on its new business. He was aware that Mr Forbes claimed to have made a replica Indian motorcycle and was opposing the Community Trade Mark Application of IMC. At no time was Mr O'Connell informed that Mr Forbes was making new bikes, nor was anyone else at IMC aware of Mr Forbes other than as a seller of restored, refurbished or replica Indian motorcycles and spare parts.

29) Mr O'Connell met with Mr Forbes (circa 2000) to try to resolve the trade mark issue and it was at this time that he became aware that Mr Forbes had begun to build custom made modern bikes under the Dakota name. Lastly he states:

“12. Finally, in the last paragraph of his statement, Mr Myers says that IMC never used the Indian head logo “either in the USA or anywhere as this was considered at the time to be offensive to the Native Americans. This was something IMC wanted to avoid at all costs.” Mr Myers’ statement is not correct. Although we planned to phase-out our use of the Indian head logo because we were concerned about the reaction of the Native American community, we never did phase out its use and we continued to use it throughout my time at IMC on motorcycles and other merchandise and accessories, including leather goods and apparel. It was most common for us to display the Indian head logo prominently on the back of leather jackets, as well as on the front of T-shirts and sweatshirts, and on the gas tanks, air cleaners, and clutch covers of our motorcycles. We also used the classic Indian head fender lamp which evoked the look and feel of the same Indian head logo.”

30) Mr O'Connell includes a 2003 brochure which shows prominent use of a Native American head logo which appears to be very similar if not actually identical to the mark in suit.

31) The fifth witness statement, dated 10 April 2008, is by James J Kelly Jr., the Chief Financial Officer for Merchant Solutions Inc and formerly the Vice President Chief Financial Officer for Indian Motorcycle Corporation and IMCOA Licensing America Inc., the predecessors in interest to the applicant for revocation. Much of this is identical to the exhibit NJH2 summarised at paragraph 10 above.

32) Mr Kelly also takes issue with the statements of Mr Myers. He states:

“7.....Mr Forbes never told us that he was manufacturing 4 cylinder INDIAN motorcycles in the UK. We understood that he was only selling replacement parts for original INDIAN motorcycles and reconditioning original INDIAN motorcycles.

8. Mr Forbes was one of many people and companies who were interested in INDIAN motorcycles and was one of many people with whom I met during my time at IMC. I liked to meet with these individuals, including Mr Forbes, because they knew a lot about the history of the Indian motorcycle and we viewed each of these individuals a potential collaborator in the revival of the INDIAN motorcycle. I recall that at about the time that I met with Mr Forbes, we acquired trademark registrations from some third parties who had filed applications for INDIAN motorcycle trademarks, including a person named Jurgen Brand, a German citizen, and an Italian company named Quartermaster S.r.l. among others.

9. In IMC's view, none of these individuals or companies has a valid claim to the INDIAN trademark for motorcycles as none of them was manufacturing motorcycles; those rights were held solely by IMC. In several instances, we acquired trademark registrations from such individuals solely because they were being offered at reasonable prices and would help

to clear up the records in the various trademark offices. In other instances, we decided that it was not worth the effort because the INDIAN trademark was not being used by the registrant and the registrations would eventually expire. One of my responsibilities at IMC and IMCOA was to manage the trademark rights and it was our policy to pursue aggressively any individuals whom we believed were infringing our trademark rights through the sale of INDIAN motorcycle branded products. Mr Forbes was not in this group as he was merely using the INDIAN mark in connection with refurbished genuine INDIAN bikes and parts. We did not perceive his use of INDIAN on his refurbishing business to present a threat to our rights in the INDIAN motorcycle trademark, so we elected not to take any action *viv-a-vis* Mr Forbes at that time.”

10. Following the sentences from Mr Myers’ letter quoted in paragraph 7 above, Mr Myers also says “Due to this we did not enter the UK market with our product to avoid infringement. This was a problem for us as his use of the Indian name and manufacture of Indian badged motorcycles and parts predated that of IMC”. These sentences are also false. As stated above, IMC did not enter *any* markets outside of the US because it was never able to resolve production issues before it ran out of money. Our plan was always to focus on the US market first and then turn to Canada and Europe, including the UK and Germany, when we were ready. Moreover, we were not aware of Mr Forbes’ alleged “manufacture of Indian badged motorcycles and parts” so this would not have been viewed as a problem for us. Instead we viewed Mr Forbes as just another fan of the Indian motorcycle who wanted to see it return to its glory days.”

33) At the hearing the credibility of Mr Forbes was questioned, given the seeming anomalies in his evidence especially with regard to the invoices provided. The registered proprietor sought permission to file additional evidence clarifying, for example, why the same engine and chassis numbers were on different invoices. This was filed on 8 July 2009. The applicant decided not to file any additional evidence but did comment on the additional evidence in a letter dated 21 July 2009. I shall now summarise the evidence and the applicant’s comments upon it.

REGISTERED PROPRIETOR’S ADDITIONAL EVIDENCE

34) The registered proprietor filed a further witness statement by Mr Forbes, dated 3 July 2009. This was supposed to be restricted to comments upon certain invoices that were queried at the hearing. Mr Forbes did not confine himself to just this issue but his evidence does provide relevant information on other issues which is of assistance to me in reaching my decision, and the applicant had the opportunity to file additional evidence or comment, it chose the latter which is summarised below. I will therefore summarise the registered proprietor’s evidence in full.

35) On the issue of where reputation resides Mr Forbes comments:

“...I have been involved with Indian Motorcycles since 1976 when I traded under my own name Alan Forbes. In approximately 1990 I adopted and commenced the use of the Motolux Indian name and Trade Mark. That business name was used to cover my business activities at the time which included clothing sold under the INDIAN Trade Mark, printed matter such as postcards bearing the INDIAN Trade Mark and in relation to the repair, refurbishment and selling of “old” Indian motorcycles.

On 21st November 1995 I registered a Limited Company by the name of Fotolux and the purpose of incorporating this company was to set up a vehicle to sell various printed matter

relating to “old” Indian motorcycles. This business was separate from my own business, Alan Forbes t/a Motolux Indian. Fotolux Limited was not successful and I decided to further concentrate my efforts on motorbikes, motorbike parts and repair and refurbishment and I continued to do so under my own name for several years. As the turnover of my business increased it became necessary for me to be able to claim back VAT on outgoings that I was incurring in the running of my business, such as pattern making, manufacture of components, design services, attending shows and undertaking advertising and thus I required to set up a company for Vat purposes. As I already had an existing company by the name of Fotolux Limited I renamed Fotolux Limited as Indian Motorcycles Limited on 23rd June 1999. As previously stated in an earlier witness statement I assigned the rights in Trade Mark Registration No. 2111027 to the company on 23rd February 2003. Therefore the reputation started with myself and then was enjoyed by my company over a period of years as my reputation and the reputation of the company grew.”

36) Mr Forbes explains the discrepancy between the letter from the worker at the DVLA (exhibit **AF40/AF33** at paragraph 19 above) and his turnover by stating that he registered “old” Indian bikes on behalf of owners at an average of six per annum and that these, in the early 1990s were selling for only £1,000, whereas currently he is selling his Indian bikes for £20,000. With regard to exhibit AF4 he states that he uses per-printed invoices that are hand written at the point of sale or agreement with the customer. Invoices are then produced on the letterhead type shown on invoice number 0978D at exhibit AF14 (image 1) of the revocation evidence and hence the different art work.

37) On the issue of registering bikes prior to their sale he states that it is custom and practice in the car and motorcycle business to pre-register vehicles before they are actually sold. Such vehicles are available for road tests, exhibitions and promotional purposes. Further, the EC legislation relating to the homologation under the EEC Motorcycle Type Approval Directive changes on 17 June 2003. The testing after this date was far more extensive and expensive hence he states that he registered a number of bikes on 13 June 2003. These were complete for registration purposes but could be finished to customer specifications when sold. He points out that many of his customers will replace the number plate allotted to the bike upon registration with personalised plates.

38) With reference to exhibit AF34, invoice 0095B, in the revocation action he states that the discrepancy arose because the customer, based in Canada, purchased a bike that was pre-registered but then made a number of changes to the specification. Invoice number 0015CB was issued in place of invoice number 00854B. The difference in price is that the bike was ultimately sold without a gearbox as the customer wished to use his own gearbox as it had a different set of ratios, other changes involved the fuelling system and seat configuration.

39) The applicant has commented upon this evidence, contending that the latest explanation does not mention that any goodwill was transferred from Mr Forbes or any of his businesses to Indian Motorcycles Limited. Previously, they state, Mr Forbes has stated that his business ran parallel to that of Indian Motorcycles Limited, (they refer to paragraph 3 of his second witness statement in the revocation action). They also point out that Mr Forbes claim that “old” Indian bikes sold for £1,000 is in direct contradiction to his own evidence in exhibit AF4 (invalidity) where they show prices of £5990, £8,400 and £8525. The applicant contends that the discrepancies point to the registered proprietor’s “casual” attitude to evidence and should call all his evidence into question. They also make the following comments:

“(5) The story offered in relation to invoice 0976 (included both in Exhibit AF4 (invalidity) and AF14 (revocation) [dated 1 October 2004] and invoice 0976d (also in exhibit AF14 (revocation) is that they are two different invoices issued for the same bike on the same day. Both invoices in fact being for the full price of £15,000 with an acknowledgement in both cases of a payment of £500 deposit. This, at best, a somewhat irregular and confusing business practice. In paragraph 8 of Mr Forbes’ second witness statement on the revocation action, he draws specific attention to invoice 0976d from Exhibit AF14 (revocation) in addition to the other invoices in that exhibit. The original inference is that these were intended to be seen as two separate sales.

It is also worthy of note that this particular sale seems to be through Mr Forbes’ personal business, rather than Indian Motorcycles Limited, as there is no mention of the proprietor and there is no VAT charged on the sale.

(6) Exhibit AF12 (invalidity) includes invoice 00854b dated 6 July 2004 for a bike which was first registered on 13 June 2003 (also seen in Exhibit AF12 (invalidity). The explanation offered in paragraph 6 of the latest witness statement by Mr Forbes does not seem specific to this particular bike as such, but rather seems merely to be a number of general observations as to why this delay of over a year between first registration and sale might have occurred. The essence of the story appears to be that Mr Forbes himself (or the proprietor – it is not clear) registered the bike in June 2003. However, the first registered keeper has been redacted from the V5 form for this bike included in Exhibit AF12 (invalidity). Surely if the story offered is actually accurate in relation to this particular bike, the simplest way for Mr Forbes to have proved this would have been to offer an unredacted copy of the V5 form in evidence with this latest witness statement? In the absence of this, once again, the tribunal and the applicant are expected to accept unsubstantiated allegations.

Furthermore, one can only assume that if this situation was indeed the case, Mr Forbes’ name was originally redacted from the V5 form in order to mislead the tribunal, as clearly such a self-registration would not serve to demonstrate any actual trade in bikes at that time. This again should call into question Mr Forbes’ other evidence.

(7) Part of paragraph 7 of the latest witness statement relates to a further discrepancy regarding the invoice identified in paragraph 6 above. This is that the same bike shown in invoice 00854b (frame IND4-030154) then reappears in invoice 0015cb dated one month later on 6 August 2004 (see exhibit AF34 (revocation). These seem now to be admitted by Mr Forbes as being invoices relating to the same bike, although the dates and prices are different. The point, as made initially above, is that at best this shows a casual and misleading approach to the original evidence.

(Both invoices appear to be VAT invoices, so one can only hope that the VAT authorities were not similarly confused.)

Paragraph 7 of the latest witness statement also refers to a third invoice discrepancy, which relates to invoice 00959b, found in exhibit AF34 (revocation). In a similar way to that of invoice 00854b (see paragraph 6 above), the point is that this invoice is dated some considerable time after the corresponding V5 form (exhibit AF8 revocation). In this particular case, the time differential is over three years- the invoice is dated 12 August 2006, and the V5 is dated 13 June 2003. As noted above, the simple way to support Mr Forbes’ explanation would have been to file a non-redacted copy of the form V5, showing Mr Forbes

as the first owner. Again, however, the main point is that the misleading inference from the original evidence was that these two items were unrelated, and that the V5 showed genuine trade.”

40) That concludes my review of the evidence filed in these proceedings insofar as I consider it necessary. At annex 1 attached is a table of the use made by the registered proprietor of the mark in suit.

DECISION

Revocation

41) I will first deal with the revocation action based upon Sections 46(1)(a) and (b) which read as follows:

“46.-(1) The registration of a trade mark may be revoked on any of the following grounds

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- (a) that within the period of five years following the date of completion of the registration procedure it has not been put to genuine use in the United Kingdom, by the proprietor or with his consent, in relation to the goods or services for which it is registered, and there are no proper reasons for non-use;
- (b) that such use has been suspended for an uninterrupted period of five years, and there are no proper reasons for non-use;
- (c)
- (d)

(2) For the purposes of subsection (1) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(3) The registration of a trade mark shall not be revoked on the ground mentioned in subsection (1)(a) or (b) if such use as is referred to in that paragraph is commenced or resumed after the expiry of the five year period and before the application for revocation is made.

Provided that, any such commencement or resumption of use after the expiry of the five year period but within the period of three months before the making of the application shall be disregarded unless preparations for the commencement or resumption began before the proprietor became aware that the application might be made.”

42) The applicant alleges that the marks have not been used in the five years following registration and also in the five years prior to the date of the application for revocation. The periods in question are, therefore, for Section 46(1)(a) 22 March 1997 – 21 March 2002 and for Section 46(1)(b) 7 June 2002 – 6 June 2007.

43) Where the registered proprietor claims that there has been use of the trade mark, the provisions of Section 100 of the Act make it clear that the onus of showing use rests with him. It reads:

“100. If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it.”

44) I must first consider whether the opponent has fulfilled the requirement to show that genuine use of the marks has been made. The guiding principles to be applied in determining whether there has been genuine use of a mark are *Ansul BV v Ajax Brandbeveiliging BV* [2003] R.P.C. 40 and *Laboratoire de la Mer Trade Mark* [2006] F.S.R. 5. From these cases I derive the following main points:

- genuine use entails use that is not merely token. It must also be consistent with the essential function of a trade mark, that is to say to guarantee the identity of the origin of goods or services to consumers or end users (*Ansul*, paragraph 36);
- the use must be ‘on the market’ and not just internal to the undertaking concerned (*Ansul*, paragraph 37);
- it must be with a view to creating or preserving an outlet for the goods or services (*Ansul*, paragraph 37);
- the use must relate to goods or services already marketed or about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns (*Ansul*, paragraph 37);
- all the facts and circumstances relevant to determining whether the commercial exploitation of the mark is real must be taken into account (*Ansul*, paragraph 38);
- the assessment must have regard to the nature of the goods or services, the characteristics of the market concerned and the scale and frequency of use (*Ansul*, paragraph 39);
- but the use need not be quantitatively significant for it to be deemed genuine (*Ansul*, paragraph 39);
- an act of importation could constitute putting goods on the market (*Laboratoire de la Mer*, paragraph 25 referring to the earlier reasoned order of the ECJ);
- there is no requirement that the mark must have come to the attention of the end user or consumer (*Laboratoire de la Mer*, paragraphs 32 and 48);
- what matters are the objective circumstances of each case and not just what the proprietor planned to do (*Laboratoire de la Mer*, paragraph 34);
- the need to show that the use is sufficient to create or preserve a market share should not be construed as imposing a requirement that a significant market share has to be achieved (*Laboratoire de la Mer*, paragraph 44).

45) I also take note of the CFI case T-334/01, *MFE Marienfelde GmbH v OHIM* (HIPOVITON) where at paragraph 37 they stated:

“37. However, the smaller the commercial volume of the exploitation of the mark, the more necessary it is for the party opposing new registration to produce additional evidence to dispel possible doubts as to its genuineness.”

46) In my evidence summary I have noted that the registered proprietor has used four images (see paragraph 19) which are very similar in nature. One is the mark as registered (image 2) the other three are variations. I must consider whether the use of any or all of the three variations can be considered to be use of the mark in suit in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered. In considering this question I look to the judgement of the Court of Appeal in *BUD / BUDWEISER BUDBRAU* [2003] RPC 24. In particular, I refer to the comments of Lord Walker at paragraphs 43-45 where he stated:

“43. The first part of the necessary inquiry is, what are the points of difference between the mark as used and the mark as registered? Once those differences have been identified, the second part of the inquiry is, do they alter the distinctive character of the mark as registered?”

47) I also take into account the ECJ decisions in Case C-171/06P *Devinlec Developpement Innovation Leclerc SA v Office for Harmonisation in the Internal Market* [2007] ECR I-41, Case C-131/06P *Castellblanch SA v Office for Harmonisation in the Internal Market* [2007] ECR I-63 and Case C-234/06P *Il Ponte Finanziaria SpA v Office for Harmonisation in the Internal Market* [2008] ETMR 13, and the comments of Mr Arnold Q.C. (as he was then) acting as the Appointed Person in O/061/08 *Remus* at paragraphs 45-50 where he stated:

“45. In *Nestlé v Mars* Nestlé applied to register the sign HAVE A BREAK as a trade mark. The application was opposed by Mars. The Court of Appeal upheld findings of the tribunals below that the sign was devoid of distinctive character. Accordingly the issue was whether it had acquired a distinctive character. Nestlé argued that the sign had acquired distinctive character as a result of the use of the expression HAVE A BREAK ... HAVE A KIT-KAT, which was already registered as a trade mark. Mars disputed this. The Court of Appeal referred to the Court of Justice the following question:

May the distinctive character of a mark referred to in Article 3(3) of Directive 89/104 and Article 7(3) of Regulation 40/94 be acquired following or in consequence of the use of that mark as part of or in conjunction with another mark?

46. Advocate General Kokott advised the Court to answer the question in the affirmative. In the course of her Opinion she observed:

23. Article 3(3) of Directive 89/104 permits registration of a mark if, following the use made thereof, *it* has acquired distinctive character. Mars and the Commission infer from this wording that use as an element of another mark may not be invoked as evidence of distinctive character for the purposes of Article 3(3) of Directive 89/104. This view of the matter does not carry conviction since, as the Irish Government as well observes, use of a mark literally means both its independent use and its use as part of another composite mark.

24. Nor, contrary to the view of the United Kingdom Government, can any other inference be drawn from Article 10 of Directive 89/104. Article 10 et seq. concerns the

loss of trade-mark protection as a result of non-use. A proprietor of a mark can, as a matter of trade mark law, reserve certain signs for his exclusive use only if he actually uses them. Structurally it would surely be wrong to recognise use for the acquisition of distinctive character but not to allow it to suffice in order to prevent the loss of trade-mark protection. Indeed, it is not precluded that use of a mark as part of another mark may also suffice in the context of Article 10. Under Article 10(2)(a) it also constitutes use if the trade mark is used in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered. Use of a sign as part of a principal mark also comes within that definition. That part would indeed be registered not only as a part of the principal mark but also alone without the other elements of the principal mark though use of the principal mark would only differ in elements from the mark registered in respect of the part. Distinctiveness of that part would not be affected if, as a result of such use, it acquired distinctive character prior to its registration.

47. In its judgment the Court ruled that the distinctive character of a mark may be acquired in consequence of the use of that mark as part of or in conjunction with a registered trade mark. It did not refer to the point made by the Advocate General in paragraph 24 of her Opinion.

48. As noted above, one of the proprietor's arguments advanced in support of the appeal is that the hearing officer failed to appreciate the significance of *Nestlé v Mars*. The proprietor argues that this supports its contention that use of labels such as that discussed above constituted use of the registered trade mark.

49. Prior to the hearing before me, the Registrar understood the proprietor to be arguing that, even if there was no use of a mark differing in elements which did not alter the distinctive character of the registered trade mark within section 46(2) as interpreted in *BUD*, use of a composite mark of which the registered trade mark formed an independently distinctive part could constitute genuine use of the latter within section 46(1). The Registrar submitted that, if that argument became material, it would raise an important point of law which ought either to be referred to the High Court under section 76(3) of the 1994 Act or referred to the ECJ under Article 234 EC. At the hearing, however, the proprietor's advocate clarified that the proprietor was not raising that argument, but on contrary was relying upon section 46(2) as interpreted in *BUD*. Having regard to that clarification and also to my conclusion with regard to section 46(2), it is unnecessary for me to reach any conclusion with regard to the argument anticipated by the Registrar. It will be appreciated, however, that my comments in paragraph 43 above are relevant to that issue.

50. The argument which the proprietor actually advanced was to the effect that, when applying section 46(2) as interpreted in *BUD*, the tribunal should in the light of *Nestlé v Mars* take a flexible view as to what constitutes use which does not alter the distinctive character of the mark. In the present case, however, I do not consider that this adds anything to the analysis set out in paragraph 42 above."

48) I also take into account the comments of Ms Carboni acting as the Appointed Person in *Orient Express* (BL O/299/08) where she said:

"66. It is unnecessary for me to give any further details here of the various underlying decisions. Their full case references are set out in *NIRVANA* [BL O/262/06]) and *REMUS*

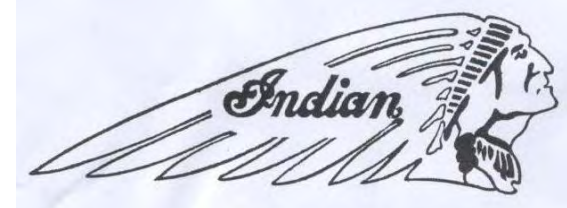



[BL O/061/08]. But I do set out below the guidance that Richard Arnold QC derived from his review, which he set out in *NIRVANA* and reiterated in *REMUS*, as follows:

33. The first question is what sign was presented as the trade mark on the goods and in the marketing materials during the relevant period....

34. The second question is whether the sign differs from the registered trade mark in elements which do not alter the latter's distinctive character. As can be seen from the discussion above, this second question breaks down in the sub-questions, (a) what is the distinctive character of the registered trade mark, (b) what are the differences between the mark used and the registered trade mark and (c) do the differences identified in (b) alter the distinctive character identified in (a)? An affirmative answer to the second question does not depend upon the average consumer not registering the differences at all....

67. There have been no decisions in the ECJ or CFI since *REMUS* that would give any reason to change this guidance. It seems to me that it is fully consistent with the approach laid down in *BUD*, effectively being a step-by-step version of the process that Lord Walker described in the extract that I have set out at paragraph 19 above. I would not expect a different result to come out of a comparison between a logo and a word mark depending on which guidance was being followed.”

49) I have to determine, in the light of the above authorities whether the use of images 1, 3 & 4 can be deemed use of the registered marks. For ease of reference the various marks are reproduced below.

Image 1	
Image 2 Registered mark	
Image 3	
Image 4	

50) There are slight visual differences between the mark as registered (image 2) and image above. The detailing in the headdress, the hair and collar is greater in the mark as registered compared to image 1, there is a minor difference in the shape of the nose and the lining on the face is slightly different. However, these are very minor points which require some study even when comparing the marks side by side. The average consumer rarely has such an opportunity and must rely upon the imperfect picture that they have in their mind. The overall impression of the marks is such that unless seen side by side the average consumer would consider the marks to be identical. Image 3 is almost identical to image 1 but has slightly more detailing to the headdress, collar and neck. This brings it closer in overall impression to the mark as registered and again it is my view that the average consumer would view this as identical to the mark in suit. I now turn to consider image 4. Whilst this consists of two (mirror) images of a Native American wearing a headdress, the word “Indian” is between the heads with the word “Motolux” above it. The mark is shaped in a cross and has other matter such as “Edinburgh” and “Scotland” which would be regarded as insignificant by the average consumer. However, the overall impression of the mark is significantly different to the mark as registered and even allowing for the imperfect picture that the average consumer has to rely upon this would be immediately seen by the average consumer as a very different trade mark, albeit one that shares some traits with the registered mark.

51) Having determined that images 1 and 3 can be taken into account in addition to the mark as registered (image 2) I shall now consider the evidence of use put forward by the registered proprietor. The relevant periods in question are 21 March 1997 – 22 March 2002 and 7 June 2002- 6 June 2007. The mark was originally registered by Mr Forbes t/a Motolux before being assigned on 23 February 2003 to Indian Motorcycles Limited. In considering the evidence I have to distinguish between claims to have produced and sold replica Indian bikes and parts for Indian bikes and claims to have sold such goods under the mark in suit. In the instant case the registered proprietor has provided evidence of use which has been the subject of challenge, required further evidence to clarify the situation but is still challenged by the applicant. Below is a table of the relevant use (within the relevant periods) which shows the exhibit reference number, a description of the goods, identification numbers of frames and engines (where provided) the costs, dates and a brief description of the items and what words/ images appear on the invoice. I have taken into account all of the evidence filed and comments made by both parties, and have excluded certain items where I considered there was enough doubt over whether the item was simply an old bike with no or limited modification. In doing so I do not accept the applicant’s contentions regarding these items but merely exclude them for convenience at this juncture.

AF4 <i>AF14</i>	Spare parts, refurbishment and repair.		£6,000 approx		14 invoices dated April 2002–Feb 2005. These have the words “Indian”, “motorcycles”, “Motolux” as well as a native Indian head and the words “Indian motorcycle Hendee Co manufacturing, Springfield, Mass. USA
<i>AF14</i>	Spare parts and repairs (different from those above).		£4,500 approx		Three invoices dated March 2004- July 2005 which have image 3 and the words “INDIAN MOTORCYCLES” underneath it.
<i>AF14</i>	Indian		£18,000	10.03.07	Invoice no. 1171D. Invoice has image 3 and also words “Indian” and “Motolux”. Deposit of £10,000 with £8,000 due on delivery. This appears to be a new motorcycle. Delivery address of Norfolk.

<i>AF14</i>	Indian Motorcycle		2,000	25.03.03	Deposit towards “cost of purchase and subsequent production of 1 Indian motorcycle, final cost and specification to be determined through mutual discussion and advice”.
AF12 <i>AF5</i> <i>AF34</i>	Indian four Dakota	IND4-030154	22,746	July 04	Invoice 008 54B. Has image 3 on petrol tank. Invoice has image 3 and words “Indian Motorcycles”. Registration number SN03TTE. A deposit of 11,750 was paid with balance on delivery. Delivery address in London.
<i>AF34</i>	Indian Dakota	IND4-030153	17,171	01.08.04	Invoice 0014CB. Invoice has image 3 and words “Indian Motorcycles”. Delivery address in Canada.
<i>AF34</i> <i>AF5</i> AF12	Indian Dakota	IND4-030154	£17,171	06.08.04	Invoice 0015 CB. Invoice has image 3 and words “Indian Motorcycles”. This new motorcycle, registered as SN03TTE. Delivery address of Canada.
<i>AF34</i> <i>AF6</i> AF13	Indian Dakota	IND4-030163	£20,680	22.08.06	Invoice 009 59B. Invoice has image 3 and words “Indian Motocycles”. This new motorcycle was registered on 13 June 2003 as SN03 TSU. Delivery address of London.
<i>AF34</i>	Indian Blackhawk	IND-V2-101X	£15,222	02.09.06	Image 3 used on invoice. This appears to be a new motorcycle. Delivery address of London.
AF13 <i>AF6</i>	Indian Dakota 4	IND 4 030160			Registered 01.06.2003 as SN03 TVX.
AF20/ <i>AF7:</i>					Copies of advertisements in “Old Bike Mart” dated Aug 2006 and Oct 2006 also invoices for editions in March, April and June editions. This advertised restoration services, spare parts as well as “complete machines”.

52) The motorcycles offered for sale have been described as replicas by the opponent. To an extent this claim is valid. However, the sale of Indian motorcycles from the USA ceased in the early 1950s, and although efforts were made in the USA to resurrect the brand there is no evidence of any of the companies actually being a success or indeed selling a single machine in the UK. Indeed there is scant evidence of activity by the original Indian company with regard to sales in the UK, prior to its demise. The applicant contended that the use made was similar to the position in *Royal Enfield Trade Marks* [2002] RPC 24 where it was found that a company providing spares for Royal Enfield motorcycles did not show that there was a belief or understanding that the company had rights in the name. It was found that they had been trading as Vellocette Motor Cycle Company and merely using the term Royal Enfield to reference the fact that they could provide spares for that brand of motorcycle. I also note that Royal Enfield bikes were sold in substantial numbers in the UK for a great many years. Vellocette’s use of Royal Enfield was compared to a garage using the mark Ford on its printed matter. I do not consider that to be the case here, the registered proprietor has been building complete motorcycles as well as offering parts. From my consideration of all of the evidence including the television programme and books

it would seem to me that the motorcycles sold by Mr Forbes are almost an homage to the originals whilst being immediately recognised as modern takes on the idiom by the motorcycling cognoscenti. Whilst a number are based upon an old chassis or frame they are extensively rebuilt and modernised. For anyone new to motorcycling since at least 1980 there has only been one company, in the UK, selling under the Indian brand and that has been Mr Forbes t/a Motolux, and subsequently Indian Motorcycles Limited. In the thirty years prior to that no-one was using the mark. The above sales are not large by any standards, however the market for motorcycles is relatively small, particularly the market for more esoteric motorcycles as opposed to those which would be everyday transport. Also, I have reduced the numbers only to those which I am convinced are not merely rebuilds of old machines. Even though two of the motorcycles were destined for Canada, at least one was registered in the UK prior to export. All of the items have been sold under the mark in suit or its equivalent and it has been, in my opinion, genuine use of the mark in suit upon the goods for which it is registered. The application for revocation fails.

INVALIDITY

53) I now turn to consider the application for a declaration of invalidity which is made under Sections 5(1), 5(2)(a), 5(2)(b) and 5(4)(a) of the Act. I shall first consider Section 5(4)(a) which reads:

“5. (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, or

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

54) In deciding whether the mark in question offends against this section, I intend to adopt the guidance given by the Appointed Person, Mr Geoffrey Hobbs QC, in the *WILD CHILD* case [1998] RPC 455. In that decision Mr Hobbs stated that:

“The question raised by the grounds of opposition is whether normal and fair use of the designation WILD CHILD for the purposes of distinguishing the goods of interest to the applicant from those of other undertakings (see section 1(1) of the Act) was liable to be prevented at the date of the application for registration (see Article 4(4)(b) of the Directive and section 40 of the Act) by enforcement of rights which the opponent could then have asserted against the applicant in accordance with the law of passing off.

A helpful summary of the elements of an action for passing off can be found in Halsbury’s Laws of England (4th Edition) Vol. 48 (1995 reissue) at paragraph 165. The guidance given with reference to the speeches in the House of Lords in *Reckitt & Colman Products Ltd v. Borden Inc.* [1990] R.P.C. 341 and *Erven Warnink BV v. J. Townend & Sons (Hull) Ltd* [1979] AC 731 is (with footnotes omitted) as follows:

‘The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:

(1) that the plaintiff's goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;

(2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by the defendant are goods or services of the plaintiff; and

(3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant's misrepresentation.

The restatement of the elements of passing off in the form of this classical trinity has been preferred as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House. This latest statement, like the House's previous statement, should not, however, be treated as akin to a statutory definition or as if the words used by the House constitute an exhaustive, literal definition of passing off, and in particular should not be used to exclude from the ambit of the tort recognised forms of the action for passing off which were not under consideration on the facts before the House.'

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

'To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

(1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and

(2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

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

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

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

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

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

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

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

55) To the above I add the comments of Pumfrey J in *South Cone Incorporated v JackBessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* case, in which he said:

“27. There is one major problem in assessing a passing off claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the Registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent’s reputation extends to the goods comprised in the applicant’s specification of goods. The requirements of the objection itself are considerably more stringent than the enquiry under Section 11 of the 1938 Act (See *Smith Hayden (OVAX)* (1946) 63 RPC 97 as qualified by *BALI* [1969] RPC 472). Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.

28. Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed at the relevant date. Once raised the applicant must rebut the prima facie case. Obviously he does not need to show that passing off will not occur, but he must produce sufficient cogent evidence to satisfy the hearing officer that it is not shown on the balance of possibilities that passing off will occur.”

56) I must also keep in mind the comments of Mr Justice Floyd in *Minimax GMBH & Co KG and Chubb Fire Limited* [2008] EWHC 1960 (Pat) in which he says of the above:

“Those observations are obviously intended as helpful guidelines as to the way in which a person relying on section 5(4)(a) can raise a case to be answered of passing off. I do not understand Pumfrey J to be laying down any absolute requirements as to the nature of evidence which needs to be filed in every case. The essential is that the evidence should show, at least prima facie, that the opponent’s reputation extends to the goods comprised in the application in the applicant’s specification of goods. It must also do so as of the relevant date, which is, at least in the first instance, the date of application.”

57) The date at which the matter must be judged is not entirely clear from Section 5(4)(a) of the Act. A similar provision to section 5(4)(a) of the Act is to be found in Article 8(4) of Council Regulation 40/94 of December 20, 1993. This was the subject of consideration by the Court of First Instance in *Last Minute Network Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs)* (OHIM) Joined Cases T-114/07 and T-115/07. In that judgment the CFI stated:

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

51 However, according to Article 8(4) of Regulation No 40/94 the relevant date is not that date, but the date on which the application for a Community trade mark was filed, since it requires that an applicant seeking a declaration of invalidity has acquired rights over its non-registered national mark before the date of filing, in this case 18 March 2008.”

58) However, this is an invalidity action. I therefore also take into account the comments of Professor Annand, sitting as the Appointed Person, in *OMEGA BL O/227/05*:

“My own view is that the starting point for assessing relative invalidity under section 47(2) is the date of the application for registration of the attacked mark. This is because Article 4 of the Directive: (i) defines “earlier trade marks” for the purposes of relative invalidity as trade marks with a date of application for registration which is earlier than the date of application for registration of the attacked mark; and (ii) requires other earlier rights to have been acquired before the date of the application for registration of the attacked mark. However, I believe the wording of Article 4 (section 47(2)) may allow the tribunal to take into account at the date when invalidation is sought, matters subsequently affecting the earlier trade mark or other earlier right, such as, revocation for some or all of the goods or services, or loss of distinctiveness or reputation. I do not find the fact that the Directive specifically provides for defences to invalidation of non-use, consent and acquiescence indicative either way. A further question concerns the cut-off date for taking into account subsequent events. Is this the date of the application for a declaration of invalidity or the date when the invalidity action or any appeal is heard? The Opinion of Advocate General Colomer in Joined Cases C-456/01 P and C-457/01P *Procter & Gamble v. OHIM*, 6 November 2003, paragraphs 43 – 44, and the Court of First Instance decision in Case T-308/01 *Henkel KGaA v. OHIM (KLEENCARE)*, 23 September 2003, paragraph 26, although concerned with registrability and opposition respectively, indicate the latter. There are indications that timing issues under the harmonised European trade marks law are beginning to be brought to the attention of the ECJ (see, for example, the questions referred in Case C-145/05 *Levi Strauss & Co. v. Casucci SPA*).”

59) I also take into account the findings of the European Court of Justice (ECJ) in *Levi Strauss & Co v Casucci SpA* Case C-145/05. In that case the ECJ stated:

“17 The proprietor’s right to protection of his mark from infringement is neither genuine nor effective if account may not be taken of the perception of the public concerned at the time when the sign, the use of which infringes the mark in question, began to be used.

18 If the likelihood of confusion were assessed at a time after the sign in question began to be used, the user of that sign might take undue advantage of his own unlawful behaviour by alleging that the product had become less renowned, a matter for which he himself was responsible or to which he himself contributed.

19 Article 12(2)(a) of Directive 89/104 provides that a trade mark is liable to revocation if, after the date on which it was registered, in consequence of acts or inactivity of the proprietor, it has become the common name in the trade for a product or service in respect of which it is registered. Thus, by balancing the interests of the proprietor against those of his competitors in

the availability of signs, the legislator considered, in adopting this provision, that the loss of that mark's distinctive character can be relied on against the proprietor thereof only where that loss is due to his action or inaction. Therefore, as long as this is not the case, and particularly when the loss of the distinctive character is linked to the activity of a third party using a sign which infringes the mark, the proprietor must continue to enjoy protection.

20 In the light of all the foregoing, the answer to the first and second questions must be that Article 5(1) of Directive 89/104 must be interpreted as meaning that, in order to determine the scope of protection of a trade mark which has been lawfully acquired on the basis of its distinctive character, the national court must take into account the perception of the public concerned at the time when the sign, the use of which infringes that trade mark, began to be used.

.....

36 Accordingly, after revocation in the particular case has been established, the competent national court cannot order cessation of the use of the sign in question, even if, at the time when that sign began to be used, there was a likelihood of confusion between the sign and the mark concerned.

37 Consequently, the answer to the fourth question must be that it is not appropriate to order cessation of the use of the sign in question if it has been established that the trade mark has lost its distinctive character, in consequence of acts or inactivity of the proprietor, so that it has become a common name within the meaning of Article 12(2) of Directive 89/104 and the trade mark has therefore been revoked."

60) Further, I also note that in *Scandecor Development AB v Scandecor Marketing AB* [2002] FSR 7 Lord Nicholls stated:

"49 The claim in these proceedings is that, in consequence of the use made of the marks by Scandecor Marketing and Scandecor Ltd with the consent of Scandecor International, the marks are "liable to mislead the public". That is essentially a question of fact. That question of fact must be answered having regard to matters as they now are, not as they were at some time in the past. In deciding this issue of fact the court must have due regard, as I have been at pains to emphasise, to the message which a trade mark conveys. But since the question is whether the marks are currently liable to mislead, the message which is relevant is the message which use of the marks conveys today, not the message it would have conveyed to the public in the past."

61) These issues were considered by the Hearing Officer in O/214/06 and he reasoned the following:

"13) So he was looking at the date of trial as the date at which the question had to be considered. This was a case dealing with section 46(1)(d) of the Act, revoking a trade mark registration on the basis that in the consequence of the use made of it, it is liable to mislead the public. The principle seems good for an invalidation action on relative grounds. If at the date of the trial/hearing there is no longer a basis to invalidate a trade mark, should it be invalidated for administrative convenience. If one is attaching one self to the date of application for invalidation, does one ignore evidence filed in the evidence rounds dealing with matters after the date of application? The latter course of action would seem to be untenable. Taking the date of hearing as the second material date may give rise to administrative problems at times but administrative convenience should not override the purpose of the law. If late evidence is filed, there can always be compensation in costs for the other side. I consider that the second material date has to be the date of the hearing.

14) So the first material date is the date of application for registration and there is a second material date, the date of the hearing. So for UK to succeed it has to establish that it could have prevented use of the trade mark as of 18 December 1992 and that it could also have prevented use of the trade mark on 6 June 2006. It has to succeed on both dates; if it fails in relation to the first material date, its case fails.”

62) I see no reason not to agree with this reasoning. I accept that *Scandicoor* was a revocation case, however its principles are applicable here. If there had been use of the trade mark by the applicant prior to the date of application this would have to be taken into account. It could establish that it was the senior user, that there had been common law acquiescence or that the existing position should not be disturbed and so use would not be liable to be prevented by the law of passing-off. (See *Croom’s Trade Mark Application* [2005] RPC 2 and *Daimlerchrysler AG v Javid Alavi (T/A Merc)* [2001] RPC 42.) In the instant case the application date is 24 September 1996, however, the registered proprietor has shown use of the mark in suit on motorcycles under Alan Forbes t/a Motolux in 1987 (see exhibit AF2) and the hearing date is 24 June 2009.

63) With these considerations in mind I turn to assess the evidence filed as set out earlier in this decision. The issue of whether the use made by the registered proprietor could be considered trade mark use has already been dealt with (see paragraph 51 above). The applicant has not provided any evidence of use of the mark in the UK, either by itself or any predecessors in business. Although this could be seen to be the end of this ground of opposition I will continue to consider the issues raised. Whilst the applicant has shown that it purchased trade mark rights, it is silent on the issue of whether the goodwill was transferred. It would appear to be relying upon the fact that there are Indian motorcycles which were manufactured in the USA in use in the UK. Whether these were imported personally, or sold via a single or small number of distributors is unclear. The heyday for the original Hendee “Indian” motorcycles would appear to have been in the 1920s and early 1930s. They struggled in the years immediately after the Second World War and ceased production in 1952. The applicant does not provide any sales figures for the UK for any year, yet seeks to rely upon a reputation and goodwill almost thirty years after it ceased production. I do not doubt that the “Indian” mark was known amongst motorcycling enthusiasts in the UK, Mr Forbes amongst them. All of whom would have been aware of the trials and tribulations undergone by the company and its various successors and the abject failure that all have met, and the fact that they would appear to have been unable to offer motorcycles for sale in the UK, barely even managing to do so in the USA. However, amongst the general population who are the potential consumers for motorcycles they would, in my opinion, be unknown. The applicant has not provided any evidence to the contrary, indeed this ground of opposition did not even figure in the skeleton argument or at the hearing until it is raised by the registered proprietor’s attorney. Even then it was not pursued. Even if I were to accept that the applicant’s predecessors in business enjoyed goodwill in the UK in 1952, any residual goodwill would have entirely dissipated by the relevant date of September 1996, some forty four years after production ceased.



64) Turning to consider the use made by the registered proprietor he had sold one bike in 1987, which is said to be a modified old Indian Scout. However, given the absence from the market of the applicant and the fact that the bike and the invoice carried only the mark in suit I would regard it as use. Three further bikes were sold between 1993 and 1994 as well as a small quantity of spare parts (exhibit AF4 refers to all these items). Between 2002 and March 2007 the exhibits show that seven bikes and parts were sold and in addition advertising of both bikes and parts was undertaken. The use is not substantial but would have been enough, in my view, to have succeeded

in a passing off action against the applicant. On the basis of the evidence the registered proprietor would be regarded as the senior user. The application for invalidity under Section 5(4)(a) fails.

65) I now turn to the ground of invalidity under Section 5(1) which reads:

“5.-(1) A trade mark shall not be registered if it is identical with an earlier trade mark and the goods or services for which the earlier trade mark is applied for are identical with the goods or services for which the earlier trade mark is protected.”

66) In determining whether or not the marks are identical I shall take into account the authorities set out in paragraphs 46-48 (inclusive) above. For ease of reference I reproduce the two parties’ marks below:

Registered Proprietor’s mark	Applicant’s Mark
	

67) I note that the registered proprietor accepts that the marks are similar. There are slight visual differences between the two images above. The detailing in the headdress, the hair and collar is greater in the registered proprietor’s mark compared to the applicant’s mark, there is a minor difference in the shape of the nose and the lining on the face is slightly different. However, these are very minor points which require some study even when comparing the marks side by side. The average consumer rarely has such an opportunity and must rely upon the imperfect picture that they have in their mind. The overall impression of the marks is such that unless seen side by side the average consumer would consider the marks to be identical, and will treat the marks as being identical in my comparison.

68) I now turn to the comparison of the specifications of the two parties and take into account the factors referred to in the opinion of the Advocate General in *Canon*; ETMR 1. In its judgement, the ECJ stated at paragraph 23:

“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.”

69) Other factors may also be taken into account such as, for example, the distribution channels concerned (see, for example, paragraph 53 of the judgment of the CFI in Case T-164/03 *Ampafrance S.A. v OHIM – Johnson & Johnson GmbH*. The specifications are:

Registered proprietor’s specification	Applicant’s specification
Class 12: Motorcycles; parts and fittings for motorcycles.	Class 12: Vehicles; apparatus for locomotion by land, air or water.

70) The applicant's specification clearly encompasses the registered proprietor's specification for "Motorcycles", and they must be regarded as identical. The "parts and fittings for motorcycles" are similar in nature, general purpose, users, and channels of trade and are complementary. As such they must be regarded as being very similar to the applicant's goods. The registered proprietor acknowledged that this was the case in their counterstatement.

71) The registered proprietor contends that the applicant must also show damage to the essential function and/or a likelihood of confusion. I was referred to the ECJ decision on *Michael Holterhoff v Ulrich Freisleben* C-2/00 and also *Celine Sarl v. Celine SA* C17/06 [2007] ETMR 80 which also refers to *Adam Opel AG v Autec AG* [2007] ETMR 33; *Arsenal Football Club v. Reed* [2003] RPC 9 and *Anheuser-Busch Inc v Budejovicky Budvar Narodni Podnik* [2005] ETMR 27. It was contended that the approach requires a global assessment of all the relevant factors, one of which, they claim is that the only use of the mark in question in the UK has been by the registered proprietor. This same issue was raised very recently in the latest *Budweiser* case [2009] EWCA Civ 1022, 20 October 2009, before the Court of Appeal, where Lord Justice Jacob said:

"56 Mr Mellor also suggests that there is a question about the meaning of Art. 4(1)(a) . This provides:

A trade mark shall not be registered or if registered, shall be liable to be declared invalid:

(a) if it is identical with an earlier trade mark, and the goods or services for which the trade mark is applied for or registered are identical with the goods or services for which the trade mark is registered.

He first points to the fact that despite the apparent absolute position – automatic protection - when there is same mark/same goods, the ECJ has recognised exceptions. It did so for example in *Hölterhoff v Friesleben Case C-2-00* (purely descriptive use not within Art.4(1)); in *Adam Opel v Autec Case C-48/05* (Opel mark on toys no infringement of registration of that mark for toys because essential function of guarantee of origin unimpaired) and *Celine v Celine Case C-17/06* (use of a mark as a name for business in goods of the registered mark no infringement for same reason).

57 Mr Mellor suggests that the Court might recognise a further exception in the case of long established honest concurrent use. For in such a case the guarantee of origin of the mark is not impaired by the use of the mark by each party. Once such concurrent use is established the mark does not solely indicate the goods of just one of the users. It means one or the other. Hence there is no impairment of the guarantee and, if impairment is the touchstone of Art 4(1) , no infraction of it.

58 AB submit that no questions about Art 4(1) should be asked. It is submitted that there is no basis for them. It is said they would "assume facts that have not been proved even where alleged, that they are disputed by AB and that AB has had no opportunity to make submissions".

59 I cannot understand any of that. That there has been long established concurrent user as described in the cases is simply beyond dispute. Are we to pretend the cases never happened? I simply do not know what facts could be disputed."

72) Although the Budweiser case was not considered at the hearing, it was mentioned as being in the offing and following the decision being issued both parties had the opportunity to comment. It would appear from the above that the Court of Appeal accepted that there was honest concurrent use on the facts of *Budweiser*. In the instant case the registered proprietor had been using its mark since 1987. That is for almost twenty years as at the date of the application for invalidity and twenty two years as at the date of the hearing. The registered proprietor had registered the mark in the UK in 1996 and had sought to oppose the applicant's CTM registration. I have previously found that its use of the mark, although limited, is genuine. To my mind, the registered proprietor has established its own reputation and goodwill under the mark. However, there is no evidence, other than a few UK magazine articles, that the applicant has offered its products for sale in the UK. Indeed, in a number of statements it has been suggested that sales in the UK and Europe are a long term aim. In the absence of use by the applicant there cannot have been honest concurrent user, and so the application for invalidity under the 5(1) ground succeeds.

73) I shall go onto consider the defence relied upon by the registered proprietor who pleaded the statutory defence of Acquiescence under Section 48 of the Act, which reads as follows:

“48.-(1) Where the proprietor of an earlier trade mark or other earlier right has acquiesced for a continuous period of five years in the use of a registered trade mark in the United Kingdom, being aware of that use, there shall cease to be any entitlement on the basis of that earlier trade mark or other right -

(a) to apply for a declaration that the registration of the later trade mark is invalid, or

(b) to oppose the use of the later trade mark in relation to the goods or services in relation to which it has been so used, unless the registration of the later trade mark was applied for in bad faith.

(2) Where subsection (1) applies, the proprietor of the later trade mark is not entitled to oppose the use of the earlier trade mark or, as the case may be, the exploitation of the earlier right, notwithstanding that the earlier trade mark or right may no longer be invoked against his later trade mark.”

74) I take into account the comments in Kerly's Law of Trade Marks and Trade Names (Fouteenth Edition) on the subject, in particular pages 285 paragraph 10-028, which states:

“10-028 Acquiescence

For a person who is entitled to an earlier trade mark or earlier right, there is a restriction on his ability to raise grounds for invalidity based on his earlier trade mark or earlier right but not, it seems, any other grounds for invalidity. If such a person has acquiesced in the use of a registered trade mark in the United Kingdom for a continuous period of five years, during which time he was aware of such use, then he ceases to be entitled to apply for a declaration of invalidity of the registered mark based on any earlier trade mark or earlier right to which he is entitled. [1994 Act, s,48(1)(a)] It is suggested that this acquiescence restriction should apply even where there has been an assignment of the earlier trade mark or earlier right, provided that throughout the requisite five-year period both assignor and assignee were aware of and acquiesced in the use of the relevant registered trade mark. Thus, it certainly should not be possible to extend the period of acquiescence required by means of a sham assignment. Equally any assignee of an earlier trade mark or earlier right must take the

assignment subject to any accrued acquiescence right already established prior to the assignment.”

75) The applicant referred me to the comments of Mr Justice Warren in *Sunrider Corporation T/A Sunrider International v Vitasoy International Holdings Limited* [2006] where he said:

“If [the proprietor of the earlier mark] has no means to prevent the use of the later mark and has lost his opportunity to oppose registration, then it is not easy to see how the period which, to his frustration as Mr Onslow puts it, is running, would be a period of acquiescence.”

76) The issue of when an earlier right is said to exist was an issue raised in the recent *Budweiser* case (see paragraph 71 above). Lord Justice Jacob said:

“50 Why does that matter in the context of the present debate? Well, because it strongly suggests that the period of acquiescence for the purposes of Art. 9 does not start on the arbitrary date of actual registration of the senior mark. You can acquiesce before any such date on any meaning of the word “acquiesce.”

51 Then there is the point made by AB – that if there can be acquiescence by the holder of the senior mark before the date of his registration and so before he could ever rely on it, then his right to object to the use or registration of the junior mark could be lost even before he gets his mark registered. This, it is suggested, is absurd, But why so? Why should it matter if, as I have just shown, you can acquiesce without any registered trade mark right at all? And why should it matter where, as here, there is a long-standing period of honest concurrent use?”

77) I note that in the Court of Appeal decision Mr Justice Warren distanced himself from his comments in *Sunrider* referred to above. The *Budweiser* case suggests that the date to be considered is not the date of registration but the date when the acquiescence began. The registered proprietor began building motorcycles in 1993. However, for acquiescence to be found the applicant or its predecessors in business would have to be aware of the registered proprietor’s activities. The applicant contended that it had no contact with IMCOA Licensing America Inc, as the assigned marks went through a third party CMAC(see paragraph 4(c) above), to the registered proprietor or the motorcycle industry as a whole. They assert that neither they nor their predecessors acquiesced for a period of five years. They point out that IMCOA denied any knowledge that the registered proprietor was manufacturing motorcycles under the mark in suit. They state that the assignment was not a sham, and that the CTM relied upon as the earlier mark did not achieve registration until 8 July 2004 and so by the time the invalidity action commenced on 7 March 2007 less than five years had elapsed.

78) Firstly, whilst I accept that the assignment was not a direct commercial transaction between IMCOA and the applicant one would have thought that some contact would have been made if only to discuss what if any business opportunities might exist. The applicant does not appear to have had any difficulty in obtaining evidence from officers of IMCOA. One might also question why the applicant would purchase a motorcycle trade mark if they had no contact with the industry. Did they investigate the market, competitors or carry out any due diligence, such as what use the mark had been put to or if there was any impediment to its use? However, I do not need to consider the behaviour of just the applicant, but also its predecessors in business.

79) On 4 May 1999 the registered proprietor opposed the applicant's CTM application on the basis that the mark was in use on identical goods and had been since 1976. I also note that the registered proprietor exhibited at the International Motor show in 2001. In the same year he provided a version of his new Indian Dakota 4 as an exhibit to the Motorcycle Hall of Fame in Ohio. The motorcycle was part of the "Century of Indian" exhibit which ran for six months in 2001. It would seem inconceivable that the senior officers of IMCOA, at that time manufacturing their own version of Indian bikes for the USA market did not attend the exhibition and notice the very obvious new design of the registered proprietor's motorcycle and take an interest in it. It would appear that they were aware of the registered proprietor's activities as the evidence of Mr Myers confirms. This evidence is contradicted by other senior officers from IMCOA stating that Mr Myers was commenting on areas outside his responsibility. Given that Mr Myers was an officer of IMCOA I think it likely that whilst his comments on the reasons why IMCOA did not enter the UK might be questioned his knowledge of the registered proprietor and his view that the registered proprietor was manufacturing complete motorcycles under the mark is not open to question. I accept that Mr Myers evidence is hearsay but he has no reason to misrepresent matters as he is now independent of all the parties in the action. I also note that in the evidence filed by the applicant (paragraph 27 above), Mr O'Connell states:

"10.I do know that Mr Forbes occasionally met with others at IMC, including Fran O'Hagan, our IMC's Vice President, and Lou Terhar, our then CEO, at various motorcycle events and rallies and that they had occasional discussions regarding the possibility of some future collaboration. Although we never seriously entertained a collaboration with Mr Forbes, we saw no need to close the doors on anyone who was interested in the INDIAN motorcycle."

80) I find it difficult to accept that the officers of IMCOA would waste such time and energy on collaboration discussions with a company that they never seriously considered would be a partner and who was simply repairing vintage (over 50 years old) motorcycles. To my mind the applicant's predecessors in business were aware, as of the date of opposition to the CTM application 4 May 1999 (see paragraph 79 above), at the latest, that the registered proprietor was using the mark in suit on motorcycles manufactured in the UK. This activity was confirmed by the events subsequent to this date. The evidence filed by the registered proprietor during this acquiescence period is not huge but it did register complete new motorcycles and provide invoices for the sale of complete new motorcycles during the period in question. IMCOA assigned the rights to its marks to CMAC on 12 May 2004, and CMAC assigned the marks to Indian Motorcycle International LLC on 21 July 2004 (paragraph 4(c) refers). Prior to the first assignment to CMAC the five years acquiescence period would be deemed to have elapsed, if the ECJ agrees that the period can start prior to registration.

81) I accept that there is no evidence that CMAC were aware of the activities of the registered proprietor. However, I note that there is no information provided on what CMAC or the applicant knew regarding use of the marks they were purchasing or any issues surrounding their use, such as use of identical marks by other parties. The silence on this issue from the applicant is surprising. The registered proprietor's defence of acquiescence will succeed if the ECJ confirms that the five year acquiescence period can start prior to the date of registration. If the ECJ confirms this then the invalidity action under Section 5(1) fails. This finding will also determine the grounds under Sections 5(2)(a) and 5(2)(b) which will also fail. Alternatively, if the ECJ determine that the acquiescence period cannot start prior to the date of registration then the opposition must succeed.

82) This decision is suspended pending the outcome of the Budweiser case before the ECJ. Once this decision is issued I will issue a supplementary decision determining the matter and dealing with the issue of costs.

Dated this 25 day of January 2010

**G W Salthouse
For the Registrar
the Comptroller-General**

Annex 1

Exhibit numbers in **bold** refer to evidence filed in the invalidity case, exhibit numbers in *italics* refer to evidence filed in the revocation action.

Exhibit	Description	Frame no. / Engine no.	Price £	Date	Invoice details & description
AF2	Model 101	I-AF-05 I-AF-05	3,250	09.07.87	Applicant claimed this was an old Indian Scout that had been restored and customised or bobbed. This is denied by the registered proprietor. The invoice does not have a company name, only use of image 2.
AF4	Parts		170		Invoice has image 1 and also words “Indian” and “Motolux”.
AF4	New Indian	I-AF-21 / I-AF-21	5,050	22.02.93	Invoice has image 1 and also words “Indian” and “Motolux”.
AF4	Indian four	4-AF-6	8,400	09.08.94	Invoice has image 1 and also words “Indian” and “Motolux”.
AF4	Indian four	N/A	8,525	30.11.94	Invoice has image 1 and also words “Indian” and “Motolux”. Shipped to Germany.
AF4 <i>AF14</i>	Spare parts, refurbishment and repair.		6,000 approx		14 invoices between April 2002 and February 2005. These have the words “Indian”, “Motorcycles”, “Motolux” as well as a Native Indian head and the words “Indian Motorcycle Hendee Co. Manufacturing, Springfield, Mass. USA.
<i>AF14</i>	Spare parts and repairs (different from those above).		4,500 approx		Three invoices between March 2004 and July 2005. These have image 3 upon them and the words “Indian Motorcycles”.
AF4	Indian Scout	641 1116	15,000	01.10.04	Invoice 0976. Described as a 1941 genuine “Bonneville” machine from Akron, Ohio. Invoice has the name, address and logo of the original Indian company, from Springfield, Mass, USA. This is also in a watermark in the paper. The invoice also has the word MOTOLUX.
<i>AF14</i>	Bonneville Scout		15,000	01.10.04	Invoice 0976D. Invoice has image 3 and the words “Indian Motorcycles”. Lacks any other detail regarding provenance etc. No VAT on invoice.
<i>AF14</i>	101 Scout	N/A	5,000	21.06.04	Invoice 0960D. Invoice has image 3 and the words “Indian Motorcycles”. Mr Forbes’ personal bike.
<i>AF14</i>	Indian		18,000	10.03.07	Invoice no. 1171D Invoice has image 3 and also words “Indian” and “Motolux”. Deposit of £10,000 with

					£8,000 due on delivery. Delivery address in Norfolk.
<u>AF14</u>	Indian v-twin		4,505	01.02.06	Invoice 1089D part payment with between 1200 - 1500 due once motor and transmission finished. Invoice has image 3 upon it. This appears to be a refurbishment of an old motorcycle. No delivery address.
<u>AF14</u>	Indian motorcycle		2,000	23.05.03	Deposit towards "cost of purchase and subsequent production of 1 Indian motorcycle, final cost and specification to be determined through mutual discussion and advice".
AF12 <u>AF5</u> <u>AF34</u>	Indian four Dakota	IND4-030154	22,746	July 04	Invoice 008 54B. Has image 3 on petrol tank. Invoice has image 3 and words "Indian Motorcycles". Registration number SN03TTE. A deposit of 11,750 was paid with balance on delivery. Delivery address in London.
<u>AF34</u>	Indian Dakota	IND4-030153	17,171	01.08.04	Invoice 0014CB. Invoice has image 3 and words "Indian Motorcycles". Delivery address in Canada.
<u>AF34</u>	Indian Dakota	IND4-030154	17,171	06.08.04	Invoice 0015 CB. Invoice has image 3 and words "Indian Motorcycles". Delivery address in Canada.
<u>AF34</u>	Indian Dakota	IND4-030163	20,680	22.08.06	Invoice 009 59B. Invoice has image 3 and words "Indian Motocycles". This was registered on 13 June 2003 according to AF13/AF6 . Registration number SN03 TSU. Delivery address in London.
<u>AF34</u>	Indian Blackhawk	IND-V2-101X	15,222	02.09.06	Invoice 009 62B. Invoice has image 3 and words "Indian Motocycles". Delivery address in London.
AF13 <u>/AF6</u>	Indian Dakota 4	IND4-030160 IND4-030163			Registered 01.06.2003 as SN03 TVX Registered 13.06.03 as SN03 TSU