

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO 2119481A
BY GEOFFREY THOMAS LANCASTER TO REGISTER THE TRADE MARK**



IN CLASSES 9, 14, 18, 21 AND 34

**AND IN THE MATTER OF OPPOSITION
THERE TO UNDER NO 92825
BY ACE CAFE LONDON LIMITED**

TRADE MARKS ACT 1994

IN THE MATTER OF application No. 2119481A
by Geoffrey Thomas Lancaster to register the trade mark



in Classes 9, 14, 18, 21 and 34

and

IN THE MATTER OF Opposition thereto under No. 92825
by Ace Cafe London Limited

BACKGROUND

1) On 31 December 1996, Geoffrey Thomas Lancaster (hereafter "the applicant") applied under the Trade Marks Act 1994 ("the Act") for registration of the above shown mark in respect of the following goods:

Class 09

Apparatus for reproduction of sound including records, cassettes and compact discs, and radios, juke boxes; life-saving apparatus and instruments including crash-helmets, body armour and protective wear for aviators and for automotive and manly pursuits; all included in Class 9.

Class 14

Jewellery, medallions and goods in precious metals, including key-rings; clocks and watches; all included in Class 14.

Class 18

Goods made of leather, suede or fur, or imitations thereof, including items of clothing not included in other classes; belts, purses, wallets, bags, panniers and rucksacks; all included in Class 18.

Class 21

Combs and brushes; glassware, porcelain and earthenware, including tiles, plaques and plates, tea and coffee pots, receptacles and crockery,



tankards and flasks for travellers (drinking), tea-towels; all included in Class 21.

Class 34

Tobacco products; matches and lighters; ashtrays; all included in Class 34.

2) The application was published in the Trade Marks Journal on 25 June 2004 and on 25 September 2004, Mark Wilsmore, Robert Wilsmore and Christopher Church (“the original opponents”) filed notice of opposition to the application. As I will briefly discuss later, these three individuals were subsequently substituted as opponents by Ace Cafe London Limited (“the opponent”). The grounds of opposition are in summary:

- a) the mark offends under Section 3(6) of the Act because Mr Lancaster knew of Mark Wilsmore’s commercial plans, activities and interest in the Ace Cafe at the time the application was filed. The original Ace Cafe, popular with motorcyclists known as “Rockers”, closed in 1969. In 1994, the original opponents made plans to reopen the cafe and their plans were discussed with Mr Lancaster, a journalist who intended to launch a motorcycle magazine, with a view of Mr Lancaster promoting some of the re-launch activities. These discussions took place prior to the filing date of Mr Lancaster’s application. On 4 September 2004, a reunion of motorcyclists, organised by the original opponents, took place at the ACE CAFE premises where approximately 12,000 people attended. At this and subsequent reunions, merchandise bearing the ACE CAFE mark was sold. However, as far as the original opponents are aware, Mr Lancaster has never used the mark applied for.
- b) The application offends under Section 5(2)(b) of the Act because Mr Lancaster’s mark is similar to two of the opponent’s earlier marks and in respect to identical or similar goods. These grounds are against all of Mr Lancaster’s goods in Class 9 (except *life saving apparatus and instruments*), Class 14 (except *clocks and watches*), Class 18 and Class 21 (except *tiles*). The relevant details of the opponent’s earlier marks are provided below:

Relevant details of earlier marks	List of goods and services
<p>2000931B</p>  <p>Filing date: 09 November 1994 Registration date: 27 February 1998</p>	<p>Class 16: Printed matter; books, magazines, newsletters and periodicals; maps and atlases; catalogues; programmes; stationery; greeting cards and postcards; playing cards; pens and pencils; calendars; posters, photographs and pictures; stickers and transfers; bags; mats; place mats, beer mats and coasters; menus.</p> <p>Class 25: Articles of clothing; T-shirts; sweatshirts; jackets; hats and caps; scarves; trousers; jeans; shorts; footwear; gloves; belts.</p> <p>Class 26: Clasps and buckles; belt clasps and belt buckles; badges; pins; embroidered patches; adhesive patches; brooches; buttons; fasteners and fittings; competitors' numbers.</p> <p>Class 41: Entertainment and education services relating to motorcycles and motorcyclists; organisation and provision of events and reunions for motorcyclists; musical entertainments; production of shows and films; production of video, radio and television programmes; publication.</p>
<p>CTM*378885</p>  <p>Filing date: 19 September 1996 Registration date: 9 November 1999</p>	<p>Class 16: Paper and paper articles; printed matter; books, magazines, newsletters and periodicals; maps and atlases; catalogues; programmes; greeting cards and postcards; playing cards; pens and pencils; calendars; posters, photographs and pictures; stickers and transfers; bags; mats; placemats; beer mats and coasters; menus; all the aforesaid goods relating to or provided for motorcycling or motorcyclists.</p> <p>Class 25: Articles of clothing; t-shirts; shirts; sweatshirts; jackets; hats and caps; scarves; trousers; jeans; shorts; footwear; gloves; belts.</p> <p>Class 26: Clasps and buckles; belt clasps and belt buckles; badges; pins; embroidered patches; adhesive patches; brooches; buttons; fasteners and fittings; competitors numbers.</p>

	<p>Class 41: <i>Entertainment and education services; organisation and provision of events and reunions; club services; production of events, shows and films; production of video, radio and television programmes; publication; organisation of competitions; all the aforesaid services relating to or provided for motorcycling or motorcyclists.</i></p>
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*Community Trade Mark

c) The application offends under Section 5(3) of the Act because the opponents claim that the two earlier marks, detailed above, have a reputation dating back to “at least 1994” in respect of “all the goods and services covered by the registration in so far as they are goods and services relating to, or provided for, motorcycling or motorcyclists” and “[g]eneral merchandise relating to motorcycling and motorcyclists”. Unlike the Section 5(2)(b) grounds, this ground of opposition is targeted at ALL of the goods listed in Mr Lancaster’s application. The opponents rely upon all the goods and services listed in its earlier registrations insofar as they relate to, or provided for, motorcycling or motorcyclists.

d) The application offends under Section 5(4)(a) of the Act by virtue of the law of passing off because, at the date of the application, the signs shown below had been used in respect of reunions and events relating to or provided for motorcycles and motorcyclists and these events have been promoted on the Internet, catalogues and magazines. Further, the signs have also been used in respect of merchandise relating to or provided for motorcycles and motorcyclists. First use is claimed to be 4 September 1994. The signs relied upon are:



3) Mr Lancaster subsequently filed a counterstatement denying the opponents' claims and putting them to proof of use. Mr Lancaster admits that an entirely separate enterprise, unconnected to the opponents, traded as a cafe until 1969 and that a different concern, again unconnected to the opponents, did the same at a different location in the 1970s. Mr Lancaster denies that the "informal and non-commercial 're-union' part organised by the Opponents in September 1994 was prepared or presented as 'a precursor' to [a trade in Mr Lancaster's other registered mark in Class 42]". Mr Lancaster goes on to claim that if this was the case, "it seems unlikely that the Opponents would have withdrawn their own application in Class 42, and accepted a licence from [Mr Lancaster]".

4) Mr Lancaster also denies that he was, or is, a journalist and that the "Ace Cafe project" of September 1994 was a "one-off" and not for payment gathering aimed at former customers of the original Ace Cafe. Mr Lancaster concludes by stating that he has legitimately used his mark and such use predates any and all commercial plans of the opponent and only has the right to use the marks in respect to cafe services insofar as they have licensed the mark from Mr Lancaster.

6) Only the opponent filed evidence in these proceedings but Mr Lancaster did file written submissions as part of his counterstatement. Both sides ask for an award of costs. The matter came to be heard on 7 September 2011 when the opponents were represented by Michael Edenborough QC for Counsel, instructed by Dehns. Mr Lancaster was not represented. He informed the tribunal in writing the evening before the hearing that he was not attending due to having to attend a hospital appointment at short notice. At the hearing, I noted that it was regrettable that Mr Lancaster was unable to provide more notice but I allowed a period of seven days for him to provide written submissions in lieu of attendance. Mr Lancaster did not avail himself to this.

Opponent's Evidence

6) This takes the form of a witness statement, dated 3 July 2005, by Mark Wilsmore. Mr Wilsmore explains that he is Director of the opponent, Ace Cafe London Limited and has been ever since he was instrumental in reopening the ACE CAFE in September 2001.

7) Mr Wilsmore provides evidence of use relating to a period after the relevant date, being the filing date of Mr Lancaster's application, and I do not intend to detail that use here; other than to say that it illustrates sales of merchandising products in excess of £100,000 a year in the two years prior to the reopening of the ACE CAFE in September 2001.

8) Mr Wilsmore also provides, at Exhibit MWF, a copy of a statutory declaration from September 1996 that he provided in support of his, Robert Wilsmore and Christopher Church's case in earlier, closely related proceedings with Mr

Lancaster. In this, he states that he was a police officer but that his involvement with the ACE CAFE is unconnected with his police work and takes place in his spare time. Mr Wilsmore states that in 1993, he had the idea of organising a reunion to mark the 25th Anniversary of the closure of the ACE CAFE and discussed his idea with his brother Robert and Mr Church and, at this stage, the design process of the opponents' mark began. The original opponents agreed that they had three aims, one of which was to hold an annual reunion, one to help produce a substantive account documenting the ACE CAFE in both book and film format and, finally, to reopen the ACE CAFE.

9) Mr Wilsmore explains that he met with Mr Lancaster on 2 March 1994. Mr Lancaster explained to him that he and two colleagues (one of these was a gentleman named Prosper Keating), intended to launch a new motorcycling magazine entitled *Fast Classics* and that he was to be a journalist on the magazine and that he had written articles before for two other motorcycle magazines. The discussions related to Mr Wilsmore's ideas for the ACE CAFE project and how Mr Lancaster might publicise the project through the new magazine. It was also agreed that the new magazine would sponsor the ACE CAFE Reunion. According to Mr Wilsmore, Mr Lancaster asked him to keep his plans secret for the time being as it would make a good story to launch the magazine, planned for June 1994. Mr Wilsmore met other interested parties at that time and Mr Lancaster also attended some of these meetings where he made notes for his features and articles to be included in the new magazine.

10) On 11 March 1994, Mr Wilsmore received a telephone call from Mr Lancaster who explained that he had the organisation of the patches and badges in hand and that Mr Wilsmore need not worry himself with the merchandise side of the project. This worried Mr Wilsmore as it appeared Mr Lancaster was taking on a greater role in the project than simply helping to publicise it. Mr Wilsmore called Mr Lancaster on 12 March 1994 to remind him the project was his idea and confirmed this by letter dated 16 March 1994. This letter is at Exhibit MEW4 to Mr Wilsmore's statutory declaration together with a letter, in identical terms, sent to Mr Keating.

11) Mr Wilsmore stated that he supplied Mr Lancaster with information and details or artwork mock-ups, but support and sponsorship were not forthcoming and matters concerning the launch of *Fast Classics* magazine did not appear to be progressing. Consequently, Mr Wilsmore and his other colleagues decided to approach another magazine, the well established and respected *Classic Bike*, for publicity and sponsorship. It was this magazine that suggested that Mr Wilsmore file for a trade mark registration.

12) On 16 March 1994, Mr Lancaster accompanied Mr Wilsmore to the Triumph Owners Motorcycle Club where he introduced himself to the Chairman/Secretary as a journalist. Mr Wilsmore states that when the subject of the reopening of the ACE CAFE arose, Mr Lancaster excused himself.

13) Further exhibits to Mr Wilsmore's statutory declaration illustrate the volume of work that went into organising the reunion and include, at Exhibit MEW5, minutes from a meeting with a motorcycle organisation called "the 59 Club" where the club's involvement with the event, the reunion logo and publicity were discussed. Other examples include copies of letters sent to various interested parties and potential sponsors; these are exhibited at Exhibit MEW6.

14) Mr Wilsmore and his colleagues approached a trade mark agent in August 1994 with a view to protecting their logo and at this time learned of Mr Lancaster's application in Class 42 made on 11 April 1994, one month after initial discussions between himself and Mr Lancaster. The relevant details of this mark, now expired, are:

Mark no. : 1568343



In respect of *Restaurant, cafe and bar services; all included in Class 42.*

15) Mr Wilsmore states that ongoing preparations for the reunion continued and that the opponents' mark was finalised in July 1994. He supports this by providing, at Exhibit MEW8, a log of computer work carried out in relation to the ACE CAFE.

16) On the day of the reunion, Mr Wilsmore stated that Mr Lancaster gave an interview of BBC Radio 5 falsely presenting himself "as being involved in the organisation of the reunion by using the word "we" when referring to the organisers."

17) The reunion was a success and Mr Wilsmore claims that the police estimated there were 12,000 attendees. Mr Wilsmore also provided, at Exhibit MEW13, numerous items that appeared in the specialist motorcycling press discussing the event, including an article in the August 1994 edition of *Classic Bike* magazine announcing its sponsorship of the reunion. Merchandising was sold during and after the event. Further exhibits illustrate the merchandising activities that he had undertaken and includes, at Exhibit MEW11, a handout and order forms relating to the merchandising available at the 1994 reunion, advertisements relating to the merchandise at Exhibit MEW14; most can be identified as being published in 1995, even those that have no date indication appear to refer to the ACE CAFE reunion video commemorating the event. Exhibit MEW16 is a copy of the ACE CAFE LONDON merchandising catalogue for 1996 -1997, available from 1 September 1996. It features various clothing items bearing the opponent's mark as well as metal and cloth badges bearing the same. Mr Wilsmore also states

that the merchandise items were also available from three London based retailers from 1994.

18) Mr Wilsmore exhibited a copy of an article that appeared in the *Fast Classics* magazine that Mr Lancaster claimed he was associated with. The content of this undated article is as follows:

“Badge of Glory

For those of you who missed out on the Ace Cafe Reunion [...], replica Ace Cafe brass tokens, Ace of Clubs tee shirts, sleeve badges and baseball caps are just a few of the goodies available from Clubman Enterprises at 4a Heathmans Road London SW6”.

19) Enquiries undertaken by Mr Wilsmore led him to claim that this company is connected to Mr Keating.

20) Mr Wilsmore became aware of Mr Lancaster’s second application 2000002 (for the same mark as subject to the current proceedings) in respect of *licensed restaurant, bar, cafe and nightclub services* in Class 42. This has a filing date of 31 October 1994 and is now registered. He claimed this specification is significant as it includes the addition of *nightclub services* when compared to Mr Lancaster’s earlier mark and this coincided with Mr Wilsmore’s realisation that it would not be commercially viable to merely reopen the ACE CAFE as a cafe but he would also need to offer *restaurant and night club services*.

21) Mr Wilsmore provides details of further ACE CAFE reunion events in September 1995 and 1996 where, once again, ACE CAFE merchandise was sold.

22) In countering Mr Lancaster’s assertion that he was not, or is, a journalist, Mr Wilsmore provided a copy of an article that appeared a fashion magazine entitled “A Be Sea” that is credited to a “Tom Lancaster”, contending that Mr Lancaster is normally known by his second name. He also stated that he contacted the National Union of Journalists who confirmed that Mr Lancaster is a member. Mr Wilsmore also recalls a meeting in September 1994 with Robin Johnson of Jack Lilley Motorcycles where Mr Lancaster presented himself as a journalist working for *Fast Classics* magazine and on that basis secured use of a motorcycle for himself and one for Mr Keating to test drive during the reunion that month.

23) At the time of Mr Wilsmore’s statutory declaration (5 September 1996), he was not aware of any use or any intention to use THE ACE CAFE mark by Mr Lancaster despite assertions by him that he had “extensive plans”. Whilst not in evidence in these proceedings, Mr Wilsmore refers to claims made by Mr Lancaster in the earlier proceedings. These claims were that he formed a partnership in 1992 to open a cafe in London called “The Ace Cafe”. It is unclear

whether he claimed that the cafe ever opened under the name but at some point this cafe was known as "The Pen". This was not a commercial success and subsequently closed down. Mr Wilsmore points to an abandoned application for "The Pen" filed by Mr Lancaster in April 1993 and notes the absence of any application for "The Ace Cafe" until April 1994, one month after Mr Wilsmore disclosed his business plans to Mr Lancaster.

24) Mr Wilsmore recalls a meeting at the Walmer Castle public house in Ledbury Road, London on 23 November 1994, when Mr Lancaster met with himself, his brother Robert and Christopher Church. Mr Wilsmore claims that Mr Lancaster asked why he was trying to reopen the original cafe when he considered it was not viable. When Mr Wilsmore expressed the view that it was viable, it is alleged that Mr Lancaster said that he had no option but to "fight dirty". Mr Wilsmore is of the view that subsequent complaints made to the Press Council and to his employer, the Metropolitan Police were made by Mr Lancaster in an attempt to damage his efforts to realise the ACE CAFE project.

25) Mr Wilsmore also stated that Mr Keating, the editor of the magazine *Fast Classics*, and who was also involved in an earlier failed venture with Mr Lancaster to open a cafe a London, directed Mr Wilsmore to Mr Lancaster. Mr Wilsmore is of the view that this was because he was a journalist and secondly, because information could be obtained from Mr Wilsmore that could be commercially useful to Mr Lancaster's and the editor's own ambitions.

26) In his counterstatement in these earlier proceedings, Mr Lancaster explained that he filed the application because he was concerned about third parties using the ACE CAFE mark. Mr Wilsmore points out that Mr Lancaster, at no time, told him of his intentions despite him being aware of Mr Wilsmore's plans.

27) Mr Wilsmore recalls a meeting that took place with Mr Lancaster at his flat where he reiterated his business intentions in respect to the ACE CAFE project. Mr Lancaster had claimed to have examined the commercial viability of reopening the cafe on the original site several years earlier and concluded that it was not commercially viable. Mr Wilsmore investigated this claim and states that the current occupiers of the site received no enquiries prior to his own regarding the reopening of the cafe. Mr Wilsmore states that at no time did Mr Lancaster divulge that he intended to use the name ACE CAFE.

28) Further statutory declarations, originally submitted in support of the earlier proceedings, have also been exhibited by Mr Wilsmore in the current proceedings. These include a declaration from Alan Seeley who, as was Mr Wilsmore, a member of the Triumph Owners Club. He first met Mr Wilsmore in mid-1993 and that he first mentioned his plans for the ACE CAFE reunion in February 1994 and also his ultimate ambition to reopen the ACE CAFE.

29) Another statutory declaration is by Nicholas G. A. Robey, a member of the 59 Club and the Triumph Owners Club. He states that he has known Mr Wilsmore since the early 1990s and that Mr Wilsmore first made his plans known to reopen the ACE CAFE at the Triumph Owners Club branch late Christmas party in February 1994. Later, at the branch's AGM, Mr Wilsmore invited members to meet a journalist, Mr Lancaster, from a magazine called *Fast Classics* to talk about the cafe for an article he was writing.

30) A further statutory declaration is made by Mr Wilsmore's wife, Linda Wilsmore, whose exhibited hand written diary extracts appear to confirm the sequence of events disclosed by Mr Wilsmore. Some relevant extracts from this diary include:

Thursday 24 February 1994: "...Bub [this appears to be Mrs Wilsmore's pet name for her husband] in just after 7 which was a surprise & just in time to take a phone call from a chap that used to manage the Ace Cafe & it closed 25 years ago in Sept, so the run etc is viable..."

Wednesday 2 March 1994: "...He [Mr Wilsmore] popped out to Bannerman to enquire about costs for badges & patches to be made up. ... left at 6.30 & drove to Walmer Castle to meet Tom Lancaster or Prosper to discuss Ace Reunion. ..."

Friday 4 March 1994: "... Bubs meeting with Ace Tyres + pub. Went well, green light. Tom Lancaster was there in his journalistic capacity + Stuart (Wild Wax) is going to be in charge of the music/band side of it..."

Friday 11 March 1994: "...He [Mr Wilsmore] was upset...by a conversation with Tom Lancaster. Tom mentioned almost just in passing that he'd got the Ace patches & badges in hand!! Alarm bells rang, sounds like he thought he'd make a quick buck. He also asked for phone number of lady from Just Tyres. Wonder what he said to her. Bub will call her on Monday. He was really furious. ...[Stuart] told Mark to go to a solicitor + sign an affidavit that the Ace Reunion was his idea & if anyone else uses the name, he can put an injunction on it. Stuart said he hoped Mark trusted him. He also called an emergency meeting of the MF's on Sunday to discuss it..."

Saturday 12 March 1994: "...Bub was home grinning like a Cheshire cat. He'd rung Tom Lancaster & told him more or less that the Ace Reunion was his idea & not to do the patches. He said his voice changed, so it was obvious Bub has caught him out. He also rang Classic Bike + told them about it..."

Saturday 2 April 1994: "...Karen submitted 4 designs for patches & one was chosen. Another guy had drawn a cartoon & that will be the logo on any letters that go out...."

Saturday 3 September 1994: "... Tom Lancaster called – the gall of the man. Wanted to know if Mark had anymore stories for his article! Hes talking on Radio 5 about it tomorrow at 7 a.m. & hes coming from Jocks Cafe on a new Triumph Triple courtesy of Jack Hilley & Prosper on a Scorpion from Chelsea Bridge – Thats how they are weedling their way in. Crafty Bastards. ..."

31) A further statutory declaration is by Pauline Cadden, the Group Coordination Manager of International Tyre Brands Limited, the company occupying the site of the original ACE CAFE at the time. She confirmed her dealings with Mr Wilsmore in his work to arrange the ACE CAFE reunion and also that Mr Lancaster had also been in touch with her and other colleagues and was attempting to elicit information regarding the reunion and later, the original opponents' purchase of the lease and efforts to reopen the ACE CAFE. During the latter contact, Mr Lancaster gave the impression that he was part of the group organising the reunion. As Ms Cadden and Mr Wilsmore had agreed that information regarding the possible sublease was to be confidential to prevent unduly worrying staff, Ms Cadden was angry with Mr Lancaster's approach to her colleagues and indiscretion on the subject. Upon ascertaining from Mr Wilsmore that Mr Lancaster was not part of the group attempting to reopen the ACE CAFE, she rang him back to confront him. He asked the questions "Has Mark Wilsmore got the site?" and "How much for?" Ms Cadden warned Mr Lancaster not to approach her staff.

32) At Exhibit MWH, Mr Wilsmore provides copies of 27 invoices, all dated between October and December 1996, relating to the sale of merchandise under the earlier marks. All these invoices carry the opponents' mark in the top left-hand corner of the documents. Most are for amounts in the hundreds of pounds with one being for a little over £2,000 and relate to patches, badges, t-shirts, silk scarves, jackets etc. Most do not indicate who the purchases were made by.

DECISION

Preliminary Issue

33) The register records that both earlier marks were assigned from Mark Wilsmore, Robert Wilsmore and Christopher Church to Ace Cafe London Limited in February 2011. I permitted the substitution of opponent, subject to the normal written undertakings as set out at paragraph 8.2, Chapter 7 of the Registry's Work Manual. This written undertaking was subsequently provided. Mr Lancaster was also given an opportunity to comment in writing on the substitution, but did not do so.

Section 5(4)(a)

34) I will consider the ground under Section 5(4) (a) first. That section reads as follows:

“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

(b)

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

35) The requirements for this ground of opposition have been restated many times and can be found in the decision of Mr Geoffrey Hobbs QC, sitting as the Appointed Person, in *WILD CHILD Trade Mark* [1998] R.P.C. 455. Adapted to opposition proceedings, the three elements that must be present can be summarised as follows:

(1) that the opponents’ 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 applicant (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by the applicant are goods or services of the opponents; and

(3) that the opponents have suffered or are likely to suffer damage as a result of the erroneous belief engendered by the applicant’s misrepresentation.

The Relevant Date

36) The relevant date for determining the opponent’s claim will be the filing date of the application in suit (*Last Minute Network Ltd v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)*, Joined Cases T-114/07 and T-115), that is to say 31 December 1996. The earlier right must have been acquired prior to that date (Article 4.4(b) of First Council Directive 89/104 on which the UK Act is based). The position at an earlier date may also be relevant. It could be establish a senior user status, or that there has been common law acquiescence or that the status quo should not be disturbed as the parties have

a concurrent goodwill (*Croom's Trade Mark Application* [2005] RPC 2 and *Daimlerchrysler AG v Javid Alavi (T/A Merc)* [2001] RPC 42).

Goodwill

37) In order to make an assessment of whether or not the opponent has goodwill in a business conducted under the two signs relied upon, I must be possessed of sufficient information to reach an informed conclusion. In *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19 Pumfrey J 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.”

38) In *Minimax GmbH & Co KG v Chubb Fire Limited* [2008] EWHC 1960 (Pat), Floyd J commented directly upon *South Cone* in the following terms:

“8 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.”

39) The opponent claims that in its statement of case that it had used the signs relied upon in respect of reunions and events relating to or provided for motorcycles and motorcyclists and that the signs have been used in respect of merchandise relating to these. First use is claimed to be 4 September 1994, the date of the first Ace Cafe reunion organised by Mr Wilsmore. At the hearing, Mr Edenborough drew my attention, in particular, to the evidence presented at Exhibit MWF of Mr Wilsmore's witness statement. This consists of the statutory declaration by Mr Wilsmore from September 1996 and originally submitted in earlier proceedings between the parties. This discloses that three reunion events were held before the relevant date in the September of each of the years 1994, 1995 and 1996. Mr Wilsmore states that attendance at these was 12,000, 3,000 and 12,000 respectively. Whilst Mr Lancaster disputed the attendance numbers, it is clear that the events did take place and that they were sizable occasions receiving wide press coverage, including Mr Lancaster himself promoting the first reunion on BBC Radio Five. Mrs Wilsmore noted in her diary that articles appeared in the *Evening Standard*, *Daily Telegraph*. Articles were also published in the specialist motorcycling press such as the magazine *Classic Bike* (as shown in Exhibit MEW13 to Mr Wilsmore's statutory declaration).

40) Mr Wilsmore has provided numerous exhibits to illustrate that merchandising activities took place in respect of the reunion events. These include a catalogue launched on 1 September 1996 showing various merchandising items bearing the opponent's ACE CAFE LONDON sign. Another exhibit provides copies of flyers used to promote the reunions of 1994 and 1995. Both prominently feature the opponent's ACE CAFE LONDON sign. Hand-outs containing order forms for commemorative ACE CAFE T-shirts, badges, patches and videos are also exhibited. As of September 1996, Mr Wilsmore also identifies three retailers where ACE CAFE reunion merchandise is available.

41) Taking all of the above into account, I have little hesitation in concluding that Mr Wilsmore established the necessary goodwill in respect of organising the reunion events and further, despite there being an absence of turnover figures relating to the period before the relevant date, there is sufficient evidence to illustrate that significant merchandising activities were undertaken relating to these reunions.

42) Despite Mr Lancaster's claim in his counterstatement that he has legitimately used the mark and that such use predates Mr Wilsmore's commercial plans, he has not substantiated this claim and I must conclude that he has not established senior user status. Mr Lancaster appears to consider that use in respect of cafe services that the opponent has been undertaking under licence from the applicant is the activity in which the opponent claims the goodwill attaches. This cannot be so because, as at the relevant date (31 December 1996) there was no cafe services being provided and, in fact, this did not begin until 2001. Secondly, it is evident from the evidence that the opponent has acquired goodwill through

its reunion events and that this is separate to, what would be, a long extinguished goodwill that existed in respect of the original ACE CAFE.

43) Finally, I need to comment on Mr Lancaster's criticism of the opponent's use, namely, that the reunions were "informal and non-commercial". This does not prevent the opponent from developing goodwill. As the opponent was associated with organising the reunions, the merchandising sold in respect of the reunions will have been publicly perceived, correctly, as also being the responsibility of the opponent. At this time, there is no evidence that Mr Lancaster had goodwill in the café or any other business identified by the name ACE CAFÉ and neither was there any residual goodwill in the original business that had ceased trading some 27 years earlier. There was, therefore, no competing goodwill.

Misrepresentation and damage

44) Having reached this conclusion that the opponent has the required goodwill, I must go on to consider if there has been misrepresentation and whether any such misrepresentation is such as to cause damage to the opponent. In this respect, I am mindful of the comments of Morritt L J in the Court of Appeal decision in *Neutrogena Corporation and Anr. V Golden Limited and Anr.* [1996] RPC 473 when he confirmed that the correct test on the issue of deception or confusion was whether, on the balance of probabilities, a substantial number of the opponent's customers or potential customers would be misled into purchasing the applicant's products in the belief that it was the opponent's. Further, Lord Fraser in *Erven Warnink BV v J Townend & Sons (Hull) Ltd* [1980] RPC 31 HL, stated that the opponent must show that "he has suffered, or is really likely to suffer, substantial damage to his property in the goodwill".

45) It is clear to me that most of the goods listed in Mr Lancaster's application can all be used as merchandising goods to complement, promote and commemorate a business or event. The opponent's goodwill exists in respect of reunions in the form of motorcycle events and, as such, no misrepresentation would occur in respect of Mr Lancaster's *life-saving apparatus and instruments including crash-helmets, body armour and protective wear for aviators* because the field of activity is sufficiently removed from motorcycling that no link will be made to the opponent's activities. Neither will misrepresentation occur from use, by Mr Lancaster, of his mark in respect of *tobacco products*. Whilst the signs relied upon and Mr Lancaster's mark illustrates some noticeable visual differences, being presented in a linear fashion rather than within a circle as are the opponent's signs, they are, nonetheless, all ACE CAFE marks, with the words appearing prominently in all the marks. The respective mark will merely be perceived by the consumer as variants of one undertaking's mark. The impact of this is that, when used in respect of goods that may be used to promote motorcycling events, Mr Lancaster's mark will be perceived by the opponent's customers and potential customers as identifying merchandise originating from the opponent. As such, misrepresentation is likely to occur.

46) In light of this misrepresentation, it is clear to me that if Mr Lancaster's mark was used in respect to the goods listed in his application then the opponent's business would be damaged by sales being diverted from its merchandising products to the products covered by Mr Lancaster's application.

47) As such, the case based upon Section 5(4)(a) is successful in respect of all the goods listed in Mr Lancaster's application except *life-saving apparatus and instruments including crash-helmets, body armour and protective wear for aviators* in Class 9 and *tobacco products* in Class 34.

Section 3(6), Section 5(2) and Section 5(3)

48) I will comment only briefly on these grounds of opposition.

49) The opponent has been largely successful in its opposition based upon Section 5(4)(a). The applicant's surviving goods are *life-saving apparatus and instruments including crash-helmets, body armour and protective wear for aviators* and *tobacco products*. I have great difficulty in understanding how such goods are used as merchandising used to promote a motorcycle event and no submissions or evidence on this point has been presented. Consequently, I find that the opponent's case is no better under these grounds than under Section 5(4)(a).

COSTS

50) At the hearing Mr Edenborough sought an award of costs above the Registrar's usual scale of costs. This is because if the bad faith claim was made out, it will be because of the improper conduct of the part of Mr Lancaster and also because of Mr Lancaster's conduct in pulling out, at the last minute, from attending the hearing.

51) Mr Anthony Watson QC sitting as a Deputy Judge of the High Court in *Rizla Ltd's Application* [1993] RPC 365 (a patents case) held at paragraph 377, that:

“...there is no established yardstick to measure what might be regarded as exceptional. I believe a case such as the present can only be regarded as exceptional if it can be shown that the losing party has abused the process of the Comptroller by commencing or maintaining a case without a genuine belief that there is an issue to be tried.”

And went on to say:

“...I believe a case ... can only be regarded as exceptional if it can be shown that the losing party has abused the process of the Comptroller by

commencing or maintaining a case without a genuine belief that there is an issue to be tried. In my view, this is not shown to be such a case.”

52) Whilst Mr Lancaster’s last minute notification of non-attendance at the hearing was regrettable, I do not see that this placed any greater cost burden upon the opponent and therefore I decline to make award of costs above the normal scale on the basis of this.

53) In respect to the submissions in respect of improper conduct, Mr Lancaster has provided a prima facie argument regarding his view of the status of the opponent’s business and the existence of goodwill. Regardless of whether such a position is correct or not, it is sufficient to demonstrate to me that the filing of his application was not an obvious abuse of process in the sense described in *Rizla* and that Mr Lancaster maintained the case in the belief that there was a genuine belief that there was an issue to be tried. As such, I reject the claim of costs above the scale.

54) As the opponent has been substantially successful I, therefore, make an award of costs based on the published scale, as follows:

Preparing Application and statement and considering statement in reply	£500
Preparing evidence	£1500
Preparing and attending hearing	£800
TOTAL	£2800

55) I order Geoffrey Thomas Lancaster to pay Ace Café London Limited the sum of £2800. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 13th day of October 2011

**Mark Bryant
For the Registrar,
the Comptroller-General**