

**O/611/21**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO. UK00003432763  
BY ROGER YOUNG AND MARCOS ENGINEERING LTD  
TO REGISTER:**



**AS A TRADE MARK IN CLASS 25**

**AND**

**IN THE MATTER OF OPPOSITION THERETO  
UNDER NO. 419242  
BY MARCOS SPORTSCARS LTDD**

## BACKGROUND

1. On 30 September 2019, Mr Roger Young and Marcos Engineering Ltd (“the applicants”) applied to register the trade mark displayed on the cover page of this decision for the following goods:

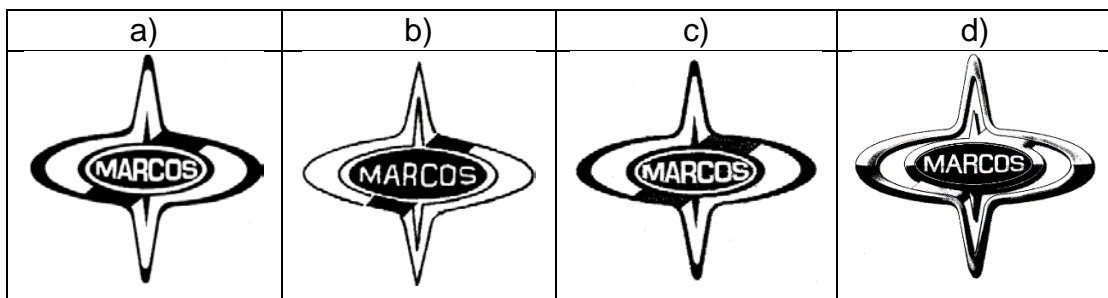
Class 25: Tee-shirts; Sweat shirts; Hats; Head wear; Shirts; Cap peaks; Clothes; Clothing; Clothing for sports; Baseball caps; Baseball caps and hats; Baseball hats; Jackets; Leisurewear.

2. The applicants’ mark was published for opposition purposes on 25 October 2019 and on 27 January 2020 it was opposed by Marcos Sportscars Ltd (“the opponent”). The opposition initially relied on sections 5(4)(b) and 3(6) of the Trade Marks Act 1994 (“the Act”). However, on 11 December 2020, the opponent filed Form TM7G requesting the inclusion of an additional ground under section 5(4)(a) of the Act into these proceedings. This request was accepted by the Tribunal and confirmed to the parties in writing on 3 January 2021.
3. In respect of its opposition under section 5(4)(a), the opponent alleges that it has been using the following mark throughout the UK since 1964 in respect of “motor vehicles and parts and fittings therefor”:



4. The opponent claims that through its licenses, predecessors in title and as a result of its purchase of the historical goodwill of the above mark in 1999, it enjoys an extensive goodwill and reputation in its mark. As a result, the opponent claims that use of the applicants’ mark constitutes a misrepresentation and would cause confusion with the opponent’s mark and damage to the opponent’s goodwill.

5. In respect of its opposition under section 5(4)(b), the opponent asserts that it is the owner of the following copyright works (collectively “the Works”):



6. The opponent claims that the Works at a) to c) above were created in 1964 by Dennis Adams for the company Marcos Cars Ltd and were assigned to the opponent by way of an assignment dated 2 December 1999. The opponent claims that Work d) was created by the opponent in around 2013.
7. The opponent submits that the applicants’ mark was copied from the opponent’s Works and represents an unlawful reproduction of the same and that registration of the applicants’ mark would be contrary to section 17 of the Copyright, Design and Patents Act 1988 and, therefore, offends against section 5(4)(b) of the Act.
8. In respect of its opposition under section 3(6), the opponent claims that the applicants were aware of the opponent’s ownership of the copyright works and that it is attempting to misappropriate the opponent’s copyright works and ‘MARCOS’ mark and/or attempting to disrupt the opponent’s business. As a result, the opponent claims that the applicants’ behaviour falls short of the standards of acceptable commercial behaviour and constitutes bad faith.
9. The applicants filed a counterstatement denying the claims made and sought to put the opponent to proof of use. Given that the opponent has not sought to rely on sections 5(1), 5(2) or 5(3) of the Act, it is not necessary for it to provide proof of use of its marks.
10. The opponent is represented by Maguire Boss and the applicants are unrepresented. Both parties have filed evidence in chief with the opponent filing further evidence in reply. No hearing was requested and both parties filed written

submissions in lieu of a hearing. This decision is made following careful consideration of the papers.

11. Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Act relied on in these proceedings are derived from an EU Directive. This is why this decision continues to make reference to the trade mark case-law of EU courts.

## **PRELIMINARY ISSUES**

12. I note that in the applicants' evidence, the applicants claim that there will be no confusion caused between the applicants' business and any other party. While these comments are noted, they are not relevant to these proceedings. While the opposition under section 5(4)(a) requires a substantial number of the public being deceived in order to succeed, the issue of likelihood of confusion is not relevant to the grounds at issue.

13. I also note that the applicants' claim that the opponent owns a number of different trade marks that have not been used for over five years. While not expressly pleaded, this appears to be a claim that the opponent is required to prove of use of its marks. However, these proceedings are brought on the basis of an unregistered right, copyright works and a claim of bad faith. While the opponent is required to prove that its unregistered right has obtained a level of goodwill, the opponent's marks are not subject to the proof of use provisions of the Act. The applicants' point on this issue is, therefore, not relevant to these proceedings.

14. The applicants' evidence also refers to the fact that when the co-applicant's company was registered, it was not objected to by the opponent or any party. The applicants claim that the opponent has never challenged the applicants despite being fully aware of their activities and goals. While this is noted, it is not relevant to these proceedings. These are proceedings regarding the application for a trade

mark by the applicants and the fact that the opponent did not object to the co-applicant's company being registered is not an issue I am required to consider.

## **EVIDENCE**

15. The opponent filed evidence in chief in the form of the witness statement of David Tate dated 30 November 2020. Mr Tate is a trade mark attorney employed by the opponent's representative. His statement is accompanied by 17 exhibits.

16. The applicants also filed evidence in chief in the form of the witness statement of Roger Young, who is a co-applicant but also the business development advisor of Marcos Engineering Limited (being the other co-applicant). Mr Young's statement is accompanied by 15 exhibits.

17. The opponent filed evidence in reply in the form of the witness statement of Herman Buurman, who is the director of the opponent. Mr Buurman's statement is accompanied by 3 exhibits.

18. I do not propose to summarise the evidence and submissions here. However, I have taken them all into consideration in reaching my decision and will refer to them below, where necessary.

## **DECISION**

### **Section 5(4)(a)**

19. Section 5(4)(a) of the Act reads as follows:

“(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, where the condition in subsection (4A) is met,

(aa) .....

(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.”

20. Subsection (4A) of Section 5 states:

“(4A) The condition mentioned in subsection (4)(a) is that the rights to the unregistered trade mark or other sign were acquired prior to the date of application for registration of the trade mark or date of the priority claimed for that application.”

21. In *Discount Outlet v Feel Good UK*, [2017] EWHC 1400 IPEC, Her Honour Judge Melissa Clarke, sitting as a deputy Judge of the High Court, conveniently summarised the essential requirements of the law of passing off as follows:

“55. The elements necessary to reach a finding of passing off are the ‘classical trinity’ of that tort as described by Lord Oliver in the *Jif Lemon* case (*Reckitt & Colman Product v Borden* [1990] 1 WLR 491 HL, [1990] RPC 341, HL), namely goodwill or reputation; misrepresentation leading to deception or a likelihood of deception; and damage resulting from the misrepresentation. The burden is on the Claimants to satisfy me of all three limbs.

56. In relation to deception, the court must assess whether “*a substantial number*” of the Claimants’ customers or potential customers are deceived, but it is not necessary to show that all or even most of them are deceived (per *Interflora Inc v Marks and Spencer Plc* [2012] EWCA Civ 1501, [2013] FSR 21).”

22. Halsbury’s Laws of England Vol. 97A (2012 reissue) provides further guidance with regard to establishing the likelihood of deception. In paragraph 309 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.”

### Relevant Date

23. In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11, Mr Daniel Alexander QC, as the Appointed Person, endorsed the registrar’s assessment of the relevant date for the purposes of section 5(4)(a) of the Act, as follows:

“43. In *SWORDERS TM* O-212-06 Mr Alan James acting for the Registrar well summarised the position in s.5(4)(a) proceedings as follows:

‘Strictly, the relevant date for assessing whether s.5(4)(a) applies is always the date of the application for registration or, if there is a priority date, that date: see Article 4 of Directive 89/104. However, where the applicant has used the mark before the date of the application it is necessary to consider what the position would have been at the date of the start of the behaviour complained about, and then to assess whether the position would have been any different at the later date when the application was made.’ ”

24. The applicants’ mark does not have a priority date. While Mr Brown mentioned via a social media post on 20 May 2012 that he purchased both Marcos Cars Limited and Marcos Engineering<sup>1</sup> and that he would be revealing the new car design ‘soon’, there is no mention of advertising or an announcement as to future sales. In my view, the earliest evidence that can be considered a behaviour that can be complained of as being passing off under section 5(4)(a) of the Act is an article from the *Western Telegraph* dated 4 April 2013.<sup>2</sup> Within this article, Mr Brown discusses his intention to relaunch ‘MARCOS’ cars and mentions that he cars will

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<sup>1</sup> Exhibit DT16 of the Witness Statement of Mr David Tate

<sup>2</sup> Exhibit MAR3 of the Witness Statement of Mr Roger Young



sell for around £50,000. As a result, I consider that the relevant date for assessment of the opponent's claim under section 5(4)(a) of the Act is 4 April 2013.

## Goodwill

25. The first hurdle for the opponent is that they need to show that they had the necessary goodwill in the following sign at the relevant date:



26. Goodwill was described in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL), in the following terms:

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first start.”

27. In *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19 (HC), Pumfrey J. stated:

“27. There is one major problem in assessing a passing of 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 s.11 of the 1938 Act (see *Smith Hayden & Co. Ltd's Application (OVAX) (1946) 63 R.P.C. 97* as qualified by *BALI Trade Mark [1969] R.P.C. 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 to 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 probabilities that passing off will occur.”

28. However, in *Minimax GmbH & Co KG v Chubb Fire Limited* [2008] EWHC 1960 (Pat) Floyd J. (as he then was) stated that:

“[The above] 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.”

29. In *Hart v Relentless Records* [2002] EWHC 1984 (Ch), Jacob J. (as he then was) stated that:

“62. In my view the law of passing off does not protect a goodwill of trivial extent. Before trade mark registration was introduced in 1875 there was a right of property created merely by putting a mark into use for a short while. It was an unregistered trade mark right. But the action for its infringement is now barred by s.2(2) of the Trade Marks Act 1994. The provision goes back to the very first

registration Act of 1875, s.1. Prior to then you had a property right on which you could sue, once you had put the mark into use. Even then a little time was needed, see per Upjohn L.J. in BALI Trade Mark [1969] R.P.C. 472. The whole point of that case turned on the difference between what was needed to establish a common law trade mark and passing off claim. If a trivial goodwill is enough for the latter, then the difference between the two is vanishingly small. That cannot be the case. It is also noteworthy that before the relevant date of registration of the BALI mark (1938) the BALI mark had been used “but had not acquired any significant reputation” (the trial judge's finding). Again that shows one is looking for more than a minimal reputation.”

30. Goodwill arises as a result of trading activities. I note that the evidence refers to various companies using the opponent's right, being CDN Capital, Marcos Engineering Ltd (not being the same company as the joint applicant) and Marcos Vintage. The evidence includes agreements between the first two companies and the opponent allowing them to use the mark.<sup>3</sup> Both agreements confirm that all intellectual property rights will remain with the opponent. As for Marcos Vintage, there is no such agreement but there is an affidavit within the evidence from D. C. MacMath of 'Marcos Heritage' confirming the existence of such an agreement.<sup>4</sup> As a result of the presence of these agreements, in assessing the evidence below, I will refer to all use by these companies as use by the opponent. Of the evidence I note the following:

- a. There is an advertisement for a car named 'Marcos 1800' from 1964, which bears the unregistered right.<sup>5</sup> However, there is no further evidence or explanation regarding this advertisement or how many sales were generated as a result. While there is an additional advertisement for the 'Marcos Grand Touring Car', this is from 1963, being before the date from which the opponent claims to have begun accruing goodwill in its right. Further, this advert shows a different mark than the unregistered right;

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<sup>3</sup> Page 14, 37 and page 70 of Exhibit HB3 of the Witness Statement of Herman Buurman

<sup>4</sup> Page 71 of Exhibit HB3 of the Witness Statement of Herman Buurman

<sup>5</sup> Exhibit DT3 of the Witness Statement of David Tate

- b. There are historic screenshots taken from the website of Marcos Engineering.<sup>6</sup> The screenshots are dated between 13 February 2005 and 2 July 2006. Of these screenshots I note the following:
- i. The first screenshot shows a number of merchandising goods such as baseball caps, shirts and collectibles. The prices for these are listed in pounds meaning that they are targeted at the UK audience. While this screenshot is noted, there is no explanation or evidence of sales. Further, the use relates to goods for which the opponent is not relying on in its 5(4)(a) opposition;
  - ii. There is a press release from Marcos Engineering Ltd regarding the debut of Marcos's new 'TSO GT2 Sportscar' which will be revealed at the Motorexpo in London on 13 June 2005;
  - iii. A screenshot of Marcos Engineering's website's homepage that appears to have been unable to load due to the plug-in being blocked by the viewer's device or browser;
  - iv. There is a screenshot titled 'News' that shows a number of articles wherein the 'Marcos' brand is discussed. None of the articles themselves are provided;
  - v. Another screenshot shows a number of pages regarding the TSO GT2 vehicle with links to a number of news articles (being Autocar, EVO Magazine and Autoweek). As per point iv. above, copies of the articles are not provided; and
  - vi. There is a press release dated 25 May 2004 which discusses Marcos Engineering's alliance with a company named 'Prodrive'.
- c. A background timeline has been provided that sets out that in the early stages of the brand, the legacy phases were based on niche, low volume hand-built sports cars and that the Marcos cars became less and less competitive in the market and fell on hard times.<sup>7</sup> In 2004, the brand was revitalised and the opponent entered into a licensing agreement with CDN Capital LLC to begin designing, manufacturing and marketing a new class of high performance

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<sup>6</sup> Exhibit DT12 of the Witness Statement of David Tate

<sup>7</sup> Exhibit HB2 of the Witness Statement of Herman Buurman

sportscars for the EU market. In 2007, Marcos cars were accepted into the 'Goodwood Festival of Speed'. While this is noted, it is not clear how successful or popular this festival is or its importance to the sportscar market in the UK. Further, Marcos cars was labelled as a favourite on an episode of the BBC show Top Gear in 2007 and that it is still heralded as 'Best of Top Gear' today;

- d. At some point between 2004 and 2008, a total of \$5.2 million was invested into the opponent's brand. However, it is not clear that this was aimed solely at the UK market or whether it was an EU wide or global investment, particularly given the figure's inclusion in dollars. I am, therefore, unable to consider this figure as it cannot be determined how much of this investment relates to the UK market;<sup>8</sup>
- e. The evidence discusses that the production of Marcos cars was discontinued in 2008 but that the sale of spares, provision of vehicle services, public relations and promotional activities have continued since then;<sup>9</sup>
- f. Use of the right in the PlayStation computer games Gran Turismo 4 and 5 are discussed and a licence agreement regarding the same is provided.<sup>10</sup> This is discussed in further detail wherein the opponent states that Gran Turismo 4 was released in 2005 and sold over 10 million units (6.5 million of which within Europe, Middle East, Africa and Asia ('EMEA')) and that Gran Turismo 5 was released in 2011 and sold over 6 million units (3.97 million of which within EMEA).<sup>11</sup> There is no indication how many of these units were sold in the UK alone. On this point, the opponent's submissions state that by agreeing to allow Marcos cars in these video games, it has "taken steps to keep the MARCOS marque in the public eye";
- g. The evidence discusses that Marcos cars have been featured in hundreds of magazines, road tests, race circuits and promotional events. However, there is

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<sup>8</sup> Page 8 of Exhibit HB2 of the Witness Statement of Herman Buurman

<sup>9</sup> Page 11 of Exhibit HB2 of the Witness Statement of Herman Buurman

<sup>10</sup> Page 78 of Exhibit HB3 of the Witness Statement of Herman Buurman

<sup>11</sup> Page 9 of Exhibit HB3 of the Witness Statement of Herman Buurman

no evidence supporting this or any explanation as to how wide reaching these magazines/events were in respect of the UK public;

- h. An invoice dated 29 February 2008 for a Marcos LS2 V8 Engine with Gearbox, Clutch, Assembly and Covers for a total of £1,250 is provided but it is addressed and shipped to a customer in Germany.<sup>12</sup> This is, therefore, not relevant for the purposes of my assessment of goodwill in the UK;
- i. Website visitor statistics of Marcos Engineering's website (marcos-eng.com) from 2008 are shown. I note that there was a total of 66,954 visits to the website with 47,834 of those being unique visitors to the site. However, there is no evidence to show how many of these visitors were from the UK;
- j. An invoice from Marcos Engineering Limited is provided with an order dated of 18 October 2006 that shows the sale of one car, being the Marcos TSO R/T to a customer in the UK for a total amount of £57,234.60 (with a balance due of £49,597.10).<sup>13</sup> I note that the mark produced on this invoice is identical to Work d), being one of the copyright works relied upon by the opponent in its section 5(4)(b) ground;
- k. Another invoice is provided with an order date of 24 November 2006 showing another car sold, being the Marcos TSO R/T for a sum of £53,626.93 (with a balance due of £51,799.39) to a retailer in the UK.<sup>14</sup> This invoice shows the same mark referred to at point j. above;
- l. A number of audit trail summaries are provided and it is not clear what these show.<sup>15</sup> However, I note that following the summaries is a breakdown of sales of five cars for a total sum of £210,137.09. Based on the information provided in this breakdown, these sale figures include the sales of the cars referred to at j. and k. above;<sup>16</sup>

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<sup>12</sup> Page 34 of Exhibit HB3 of the Witness Statement of Herman Buurman

<sup>13</sup> Page 56 of Exhibit HB3 of the Witness Statement of Herman Buurman

<sup>14</sup> Page 58 of Exhibit HB3 of the Witness Statement of Herman Buurman

<sup>15</sup> Pages 57 and 59 to 62 of Exhibit HB3 of the Witness Statement of Herman Buurman

<sup>16</sup> Page 63 of Exhibit HB3 of the Witness Statement of Herman Buurman

- m. A financial account for the year ending 31 March 2007 which confirms that the opponent's turnover for the year ending 31 March 2007 was £209,782 and for the year ending 31 March 2006, it was £78,658;<sup>17</sup> and
- n. An affidavit from D.C. MacMath confirms that in the five years between 2007 and 2011, the opponent generated a turnover of £600 per annum in respect of the sales of parts for car vehicles. However, I note that this affidavit confirms that these sales took place across 14 Member States of the EU (including the UK, Belgium, Denmark and others). It is not clear how much of this sales revenue was generated in the UK and is, therefore, impossible for me to determine the level of trade in the UK. I am, therefore, am unable to consider it when assessing goodwill;<sup>18</sup>

31. It is not clear from the evidence whether the figures referred to at point m. above in respect of the turnover for year ending 31 March 2007 is inclusive of the figure provided at point l., being the sale of five cars in 2007. Given that the two invoices referred to at points j. and k. above are included within the breakdown and the fact that those sales were made in 2006, I am of the view that the breakdown's figure of £210,137.09 is not in addition to the turnover for the year ending 31 March 2007, being £209,782. However, it is possible that the sale of the remaining three cars (not evidenced by invoices) were after 31 March 2007. I will proceed on the basis that the turnover for the year ending 31 March 2007 includes the two cars invoiced but not the sale of the remaining three cars which would have fallen into the figures for the year ending 31 March 2008. As a result, I am of the view that the evidence shows a total turnover of £397,180.60.

32. By its own admission, the opponent ceased producing cars in 2008. However, it has claimed to continue operating in the market by selling of spares, providing vehicle servicing, providing public relations and engaging in promotional activities since then. Save for the evidence of sales of £600 worth of spares/parts for Marcos cars per annum between 2007 and 2011 (which I will not consider due to the fact that it is not clear how many sales relate to the UK) there is no evidence to

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<sup>17</sup> Page 69 of Exhibit HB3 of the Witness Statement of Herman Buurman

<sup>18</sup> Page 71 of Exhibit HB3 of the Witness Statement of Herman Buurman

demonstrate that level of sales of parts or the amount of vehicle services undertaken in the UK. Further, there is no evidence of any public relations events or promotional activities. I also note that the existence of the Gran Turismo video games is relied upon as evidence that goodwill in the right remains. I note that these video games were released in 2005 and 2011. While there is no evidence as to how many sales were made of these games in the UK, I am of the view that this evidence may be relevant if it becomes necessary to assess residual goodwill on the basis that Gran Turismo 5 was released after the opponent stopped manufacturing cars.

33. In total, the opponent has shown the sale of five vehicles prior to the relevant date with a total turnover of £397,180.60 between 2006 and 2008. I have no evidence or submissions from either party in respect of the size of the UK market for motor vehicles and parts and fittings therefor. However, I would imagine it to be a significant market with an annual turnover of billions of pounds per annum. The total sales figures provided represent a tiny proportion of the market. However, I bear in mind that, while there is no evidence of any sales of 'MARCOS' cars from 1964 to 2005 or any independent evidence of the reputation of the brand from this time, I note the following:

- a. Mr Young is one of a number of people who volunteers to help run an organisation called 'The Marcos Owners Club'. This club has been running since 1972 and was still in existence as at the date of Mr Young's witness statement, being 1 February 2021.<sup>19</sup> The applicants submit that this is a club "run by the enthusiasts for the enthusiasts" with approximately 350 members; and
- b. Mr Brown, in an undated press article, refers to the 'MARCOS' car brand as being a 'legendary brand'. The witness statement of Mr Young suggests this is an article that was published in print and then on websites in 2013.<sup>20</sup>

34. The above suggests to me that (1) a significant number of cars were sold at some point prior to 1972 to warrant the setting up of the 'Marcos Owners Club' and (2)

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<sup>19</sup> Paragraph 13 of the Witness Statement of Mr Roger Young

<sup>20</sup> Exhibit MAR4 of the Witness Statement of Mr Roger Young and reproduced in Mr Young's statement at paragraph 8



Mr Brown was aware of a reputation in the 'MARCOS' car brand around the relevant date. Taking the evidence as a whole, it is my view that, at the date the opponent ceased manufacturing cars, it had obtained a level of goodwill in its right for the goods claimed. While the level of goodwill in 2008 was not trivial, it was, in my view, modest.

35. Given that the opponent ceased manufacturing cars in 2008, being some five years before the relevant date, I must now consider whether any residual goodwill remained in the opponent's right at the relevant date. On this point, the opponent's submissions referred to the case of *Minimax* (cited above) and, in particular, paragraphs 14 and 15, which states:

"14. More recently, in *Sutherland v V2 Music Ltd* [2002] EMLR 28, Laddie J had to consider whether the goodwill generated by a funk music band called Liberty 1, which had been formed in the late 1980s, still subsisted in March 2001. Laddie J considered the relevant principles and reviewed the authorities. At paragraph 22 he said this:

"There is one other general matter to deal with before turning to the facts, namely the size of the claimant's reputation. At some point a reputation may be respected by such a small group of people that it will not support a passing-off action. Neither Mr. Purle nor Mr. Speck were able to formulate a test for this bottom level. Mr. Purle said it was a matter of fact and degree. I agree with that. The law of passing off protects the goodwill of a small business as much as the large, but it will not intervene to protect the goodwill which any reasonable person would consider trivial".

15. It is difficult to define any minimum threshold. It will all depend on the facts. How big was the reputation when use stopped? How lasting in the public eye are the goods or services to which the mark is applied? How, if at all, has the person asserting the existence of the goodwill acted in order to keep the reputation in the public eye? The greater each of these elements is, the longer, it seems to me, it will take for any goodwill to dissipate."

36. Assessing the criteria set out by Floyd J (as he then was) against the evidence provided, I have set out above that the reputation when use stopped was modest. I am of the view that cars and car brands, generally, tend to last a long time in the public eye on the basis that cars are infrequent and expensive purchases. The opponent has claimed that it since it ceased producing cars in 2008, it has sold car parts, offered vehicle servicing, provided public relations and attended promotional events, I have no evidence of this meaning that I cannot determine how far these efforts went to maintaining a level of goodwill in the public eye (if at all). The opponent also claims that it maintained its goodwill by keeping the right in the public eye by licencing its use in the video games Gran Turismo 4 and 5. While it is not clear how this evidence affected the opponent's reputation amongst the relevant public in the UK, I am of the view that it would have assisted somewhat in keeping the right in the public eye. Further, I am of the view that the existence of the 'Marcos Owners Club' (which was still operating at the date of Mr Young's witness statement) and the reference to the 'MARCOS' brand as being 'legendary' by Mr Brown in 2013 points to the fact that a level of goodwill that arose in the 'MARCOS' car brand over the years remained at the relevant date.

37. Taking all of the above into account, I am of the view that the level of goodwill in the opponent's right would have remained at a modest level in the years between when the opponent stopped manufacturing cars and the relevant date.

### **Misrepresentation and damage**

38. In *Neutrogena Corporation and Another v Golden Limited and Another* [1996] RPC 473, Morritt L.J. stated that:

"There is no dispute as to what the correct legal principle is. As stated by Lord Oliver of Aylmerton in *Reckitt & Colman Products Ltd. v. Borden Inc.* [1990] R.P.C. 341 at page 407 the question on the issue of deception or confusion is

"is it, on a balance of probabilities, likely that, if the appellants are not restrained as they have been, a substantial number of members of the

public will be misled into purchasing the defendants' [product] in the belief that it is the respondents' [product]"

The same proposition is stated in Halsbury's Laws of England 4th Edition Vol.48 para 148. The necessity for a substantial number is brought out also in *Saville Perfumery Ltd. v. June Perfect Ltd.* (1941) 58 R.P.C. 147 at page 175; and *Re Smith Hayden's Application* (1945) 63 R.P.C. 97 at page 101."

And later in the same judgment:

"... for my part, I think that references, in this context, to "more than *de minimis*" and "above a trivial level" are best avoided notwithstanding this court's reference to the former in *University of London v. American University of London* (unreported 12 November 1993). It seems to me that such expressions are open to misinterpretation for they do not necessarily connote the opposite of substantial and their use may be thought to reverse the proper emphasis and concentrate on the quantitative to the exclusion of the qualitative aspect of confusion."

39. I recognise that it is not essential under the law of passing off for the parties to be engaged in the same fields of business activity (see *Harrods Limited v Harrodian School Limited* [1996] RPC 697 (CA)). However, the closeness of the parties' respective fields, together with the level of goodwill in the opponent's sign are factors which must be taken into account. While I note that the opponent has submitted that it has previously licenced its unregistered right for clothing, no actual sales of clothing under the right have been shown and the mere existence of a licence to sell clothing is irrelevant on the basis that it has no effect on the perception of the public. The opponent's goodwill is in respect of "motor vehicles and parts and fittings therefor", not clothing. As I have set out above, the level of goodwill demonstrated in these goods is modest.

40. Taking into account the distance between the applicants' class 25 goods and the opponent's "motor vehicles and parts and fittings therefor" goods together with the modest level of goodwill in the opponent's unregistered right, I do not consider that

any misrepresentation would occur. As misrepresentation would be avoided, no damage will occur meaning that the opposition under section 5(4)(a) fails in its entirety.

### **Section 5(4)(b)**

41. Section 5(4)(b) of the Act states:

“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) [...]

(b) by virtue of an earlier right other than those referred to in subsections (1) to (3) or paragraph (a) above, in particular by virtue of the law of copyright, design right or registered designs.”

42. Section 1 of the Copyright, Designs and Patents Act 1988 (“CDPA”) provides for copyright to subsist in original artistic works. Section 4 CDPA further provides:

“4 – Artistic works.

(1) In this Part “*artistic work*” means –

(a) a graphic work, photograph, sculpture or collage, irrespective of artistic quality,

[...]

(2) In this Part –

[...]

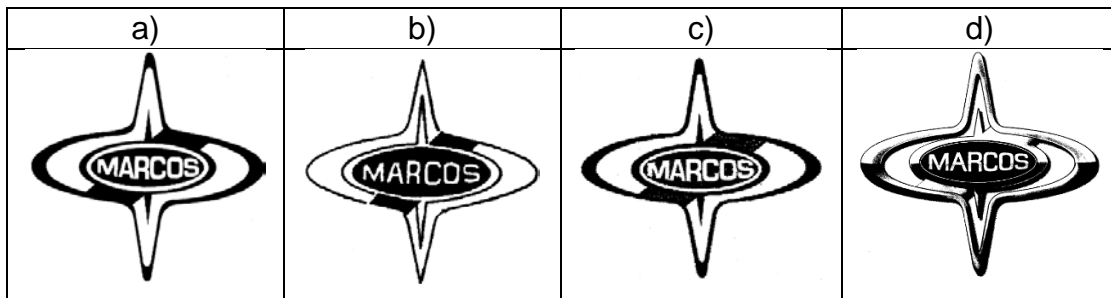
“*graphic work*” includes –

(a) any painting, drawing, diagram, map, chart or plan [...]

43. I accept that, in principle, the Works qualify for copyright protection as graphic works under the above provisions. The opponent claims that the works identified as Works a) to c) above were created in 1964 and that Work d) was created in 2013. Given the date on which the works were created, they qualify for copyright protection in the UK.

44. For an opposition based on 5(4)(b) grounds to succeed, the opponent is required to show that the ownership in the Works resides in it and that the applicants copied them.

45. For the sake of completeness, the Works are reproduced below:



46. I will first deal with Works a) to c) before moving to assess Work d) separately. In its initial statement of case, the opponent claimed that Works a) to c) were created by Dennis Adams in 1964 for Marcos Cars Limited and that they were assigned to a company called Broomco (1970) Limited (being the name of the opponent prior to a change of name) on 2 December 1999.

47. In respect of the section 5(4)(b) claim, the opponent submits that,

“the Applicants have not provided any coherent arguments or evidence to contradict the Opponent’s submission that it acquired copyright in the MARCOS logo by means of the 2 December 1999 assigned submitted as Exhibit DT4, and we submit that this should therefore be deemed to be admitted by the Applicant”.

48. While these submissions are noted, I can see that the applicants did take issue with the opponent’s claim under section 5(4)(b) in their counterstatement and

claimed that the mark they are applying for is original and “not owned by the opponent”, thereby implying that they did not copy the Works. Further, the applicants claim that the images of Works a) to c) provided are not the original logo designed by Mr Adams, which is in dispute with the opponent’s position. I do not consider that the applicants have admitted that the Works vest in the opponent.

49. Even if I were to take the opponent’s *prima facie* case that Mr Adams did design Works a) to c), there is no evidence they were assigned to Marcos Cars Limited in the first place. It could be the case that Mr Adams was a private contractor of Marcos Cars Limited and, as the creator of the copyright, could have been required to assign the rights in those Works to Marcos Cars Limited as the beneficial owner of the rights. There is no evidence or explanation confirming this. As a result, it can be said that the right in Works a) to c) remain vested in Mr Adams. If this is the case, the opposition reliant upon Works a) to c) must fail. However, for the sake of completeness, I will give consideration to the fact that the rights in Works a) to c) did reside in Marcos Cars Limited. The aforementioned assignment dated 2 December 1999 has been provided in the opponent’s evidence.<sup>21</sup> The assignment between Marcos Cars Limited and the opponent (albeit referred to as Broomco (1970) Limited at the time) is in respect of the trade mark registration 922987. It does not, at any point, refer to the assignment of the original company’s copyright works or its general intellectual property rights (of which Works a) to c) would fall into). Therefore, insofar as the rights to Works a) to c) were granted to Marcos Cars Limited, there is no evidence to suggest they were assigned to the opponent. As I am unable to determine that the opponent owns the relevant rights in Works a) to c), it is not possible for me to refuse registration under the section 5(4)(b) ground on the basis that the opposition was not raised by the owner of Works a) to c).<sup>22</sup>

50. As above, the opponent also relies on Work d) which it claims is a right created by its designers in around 2013. I note that the evidence shows use of Work d) prior to 2013, namely the invoice evidence from 2006 referred to at points j. and k. of paragraph 30 above. This evidence contradicts the opponent’s claim that Work d) was created in 2013. However, even if I were to set this issue aside, I do not

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<sup>21</sup> Exhibits DT4 of the Witness Statement of David Tate

<sup>22</sup> See paragraph 2 of The Trade Marks (Relative Grounds) Order 2007

consider that Work d) is an original artistic work in accordance with section 1 of the CDPA. Work d) is not, in my view, an original artistic work and is, instead, derivative of Works a) to c) that the opponent claims were created by Dennis Adams. The only noticeable differences between Works a) to c) and Work d) is the fact that Work d) is embossed and has a split colour border element. These differences are, in my view, trivial to the point that they do not give rise to copyright protection in its own right. As a result, any right of Work d) vests in Mr Adams and the same issues highlighted in respect of Works a) to c) above apply here. I am, therefore, unable to determine whether the opponent owns the relevant right in Work d) in order to rely on its claim under section 5(4)(b). However, if I am wrong in my finding that Work d) is not an original artistic work, the reliance upon it will still fail. My reasons follow.

51. Firstly, no evidence is provided to confirm whether the designers the opponent refers to were employees of the opponent or private contractors. Secondly, no explanation has been provided surrounding the creation of Work d). Therefore, it is impossible to determine whether the rights in Work d) fall with the designers who designed it or with the opponent. I am of the view that such additional evidence would have been relatively straight forward for the opponent to produce or even for it to offer an explanation as to the process of the ownership of that work. Even if the opponent was able to prove ownership of Works d), it is a work that is clearly copied from Works a) to c). As a result, the opponent's rights do not vest in the work as a whole but simply in the updated aspects of it, being the embossed element and the split colour border. These updated aspects of Work d) mean that any resemblance with the applicant's mark have been reduced. As a result, I am not satisfied that the applicant's mark is a copy of Work d) and, therefore, the opponent's reliance upon Work d) fails.

52. The opposition based on section 5(4)(b) therefore fails in its entirety.

### **Section 3(6)**

53. Section 3(6) of the Act states:

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

54.1. The relevant case-law covering trade mark applications made in bad faith can be found in the following cases: *Chocoladefabriken Lindt & Sprüngli*, CJEU, Case C-529/07, *Malaysia Dairy Industries*, CJEU, Case C-320/12, *Koton*, CJEU, Case C-104/18P, *Sky v Skykick*, CJEU, Case C-371/18, *Hotel Cipriani SRL and others v Cipriani (Grosvenor Street) Limited* and others, [2009] RPC 9 (approved by the Court of Appeal in England and Wales: [2010] RPC 16), *Trump International Limited v DDTM Operations LLC*, [2019] EWHC 769 (Ch), *Copernicus-Trademarks v EUIPO*, General Court of the EU, Case T-82/14, *Daawat Trade Mark, The Appointed Person*, [2003] RPC 11, *Saxon Trade Mark*, [2003] EWHC 295 (Ch), *Mouldpro ApS v EUIPO*, General Court of the EU, Case T-796/17, *Alexander Trade Mark, The Appointed Person*, BL O/036/18, *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited* [2012] EWHC 1929 (Ch) and *Sky v Skykick* [2020] EWHC, 990 (Ch).

55. The law appears to be as follows:

- a. While in everyday language the concept of ‘bad faith’ involves a dishonest state of mind or intention, the concept of bad faith in trade mark law must be understood in the context of trade: *Sky* CJEU.
- b. A trade mark may be applied for in good faith in relation to some of the goods/services covered by the application, and in bad faith as regards others: *Sky* CJEU.

56. The following points are apparent from the pre-*Sky* case-law about registering trade marks in bad faith:

- a. The mere fact that the applicant knew that another party used the trade mark in the UK does not establish bad faith: *Lindt*, *Koton* (paragraph 55). The applicant may have reasonably believed that it was entitled to apply to register



the mark, e.g. where there had been honest concurrent use of the marks: *Hotel Cipriani*.

- b. However, an application to register a mark is likely to have been filed in bad faith where the applicant knew that a third party used the mark in the UK, or had reason to believe that it may wish to do so in future, and intended to use the trade mark registration to extract payment/consideration from the third party, e.g. to lever a UK licence from an overseas trader: *Daawat*, or to gain an unfair advantage by exploiting the reputation of a well-known name: *Trump International Limited*.

57. The correct approach to the assessment of bad faith claims is as follows. According to *Alexander Trade Mark*, the key questions for determination in such a case are:

- a. What, in concrete terms, was the objective that the applicant has been accused of pursuing?
- b. Was that an objective for the purposes of which the contested application could not be properly filed? and
- c. Was it established that the contested application was filed in pursuit of that objective?

58. The applicants' intention (i.e. objective) is a subjective factor which must be determined objectively by the competent authority. An overall assessment is required, which must take account of all the factual circumstances relevant to the particular case: *Lindt*.

59. The matter must be judged at the relevant date, which is the date of the application for registration: *Lindt*.

60. It is necessary to ascertain what the applicants knew at the relevant date: *Red Bull*. Evidence about subsequent events may be relevant, if it casts light backwards on the position at the relevant date: *Hotel Cipriani*.

61. An allegation of bad faith is a serious allegation which must be distinctly proved, but in deciding whether it has been proved, the usual civil evidence standard applies (i.e. balance of probability). This means that it is not enough to establish facts which are as consistent with good faith as bad faith: *Red Bull*.

62. The opponent's evidence discusses actions of a Mr Anthony (Tony) Brown. Mr Brown is not a party to these proceedings. However, the opponent's evidence sets out that Mr Brown is the sole director of Marcos Engineering Ltd (being the co-applicant).<sup>23</sup> The applicants have not denied this and have gone so far as to confirm in their evidence that Mr Brown is the owner of the co-applicant.<sup>24</sup> Professor Ruth Annand, sitting as the Appointed Person held in *Joseph Yu v Liaoning Light Industrial Products Import and Export Corporation* (BL O-013-05) that:

“22. [A] claim of bad faith is not avoided by making an application in the name of an entity that is owned or otherwise controlled by the person behind the application.”

63. I consider that the motives of Mr Brown can be attributed to the co-applicant, being Marcos Engineering Ltd.

64. In its notice of opposition, the opponent has accused the applicant of misappropriating the opponent's mark and attempting to disrupt the opponent's business. If proven, this is an objective for the purposes of which the applicant's mark could not be properly filed.

65. The majority of the opponent's evidence appears to focus on the section 5(4)(a) and 5(4)(b) grounds. In addition, I note that the applicants' evidence seeks to introduce a number of issues that are not relevant to these proceedings. While the entirety of the evidence is noted, I only intend to summarise the relevant evidence below. In respect of the evidence relating to the section 3(6) ground, I note the following:

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<sup>23</sup> Exhibit DT14 of the Witness Statement of Mr David Tate

<sup>24</sup> Point 7 of the Witness Statement of Mr Roger Young

- a. The opponent, under the name Broomco (1970) Limited, acquired trade mark number 922987 (“the opponent’s mark”) on 2 December 1999 from Marcos Cars Limited.<sup>25</sup> The opponent changed its name from Broomco (1970) Limited to its current name on 25 October 2000. This trade mark is currently registered in the opponent’s name for class 12 goods, namely “motor vehicles and parts and fittings therefore included in Class 12”. While the opponent’s 922987 mark is not referred to in the notice of opposition, a “MARCOS sports car marque” that was assigned to the opponent is. It is reasonable for me to conclude that this is a reference to the opponent’s 922987 mark;
- b. Additional marks owned by the opponent are also referred to in the evidence. However, none of these are relied upon in these proceedings so are, therefore, not relevant to the section 3(6) ground;
- c. I have set out above under the section 5(4)(a) grounds that the level of the opponent’s own use of its unregistered right was very limited and not sufficient to demonstrate a level of goodwill. The same finding applies here in respect of the opponent’s mark;
- d. The co-applicant company was formed in 2012<sup>26</sup> and was created by Mr Brown. Mr Brown claimed that he purchased the original company, the Marcos Engineering name and the ‘original logo’ via a social media post on 20 May 2012.<sup>27</sup> This was untrue and confirmed as such by the applicants when it stated that the companies now owned by Mr Brown were incorporated in 2010 and 2012 and that it was not their intention to mislead, misrepresent or otherwise imply that they were the original companies.<sup>28</sup> It is not clear from the evidence what is meant by ‘the original logo’;
- e. The applicants’ evidence suggests that Mr Brown was delighted when he realised he could use this legendary British name for his car<sup>29</sup> and that he

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<sup>25</sup> Exhibit DT4 of the Witness Statement of Mr David Tate

<sup>26</sup> Exhibit MAR2 of the Witness Statement of Mr Roger Young

<sup>27</sup> Exhibit DT15 of the Witness Statement of Mr David Tate and also Exhibit MAR9b of the Witness Statement of Mr Roger Young

<sup>28</sup> Point 7 of the Witness Statement of Mr Roger Young

<sup>29</sup> Exhibit MAR4 and Point 8 of the Witness Statement of Mr Roger Young

purchased the rights to Marcos, being 'a well-known British manufacturer' after trawling through companies that were no longer in existence;<sup>30</sup>

- f. The applicants addressed the wording used in Mr Brown's social media post and acknowledged that the language used might not have been chosen particularly well in hindsight and again reiterated their position that there was no intention to deceive or to give a false impression;<sup>31</sup>
- g. Mr Brown's intention throughout this time was to re-launch the 'MARCOS' brand by manufacturing a car with the assistance of Mr Marsh, being the original co-founder of the original MARCOS car brand.<sup>32</sup> The applicants claim that press coverage at the time meant the project was publicly known and that due to the close knit nature of the MARCOS car community, the opponent would have been fully aware of this.<sup>33</sup> While Mr Marsh's involvement is noted, there is no evidence to suggest he was entitled to grant Mr Brown permission to use the MARCOS brand. Secondly, there is no evidence that the opponent was aware of these activities;
- h. Mr Brown sought to sell the company in 2018 and in another social media post dated 26 April 2018,<sup>34</sup> stated that he was selling the Marcos brand and logo, which would give the purchaser the right to manufacture cars under the 'MARCOS' banner;
- i. Despite the attempts to sell the company, Mr Brown chose not to do so and instead, continued to build the Marcos car;
- j. Mr Young, being a co-applicant is the chairman and treasurer of the 'Marcos Owners Club'.<sup>35</sup> From the evidence I can see that this is a fan club for MARCOS car owners and fans. I note that Mr Young's statement confirms that

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<sup>30</sup> Exhibit MAR3 of the Witness Statement of Mr Roger Young

<sup>31</sup> Point 11 of the Witness Statement of Mr Roger Young

<sup>32</sup> Exhibit MAR3, MAR4 and MAR5 of the Witness Statement of Mr Roger Young

<sup>33</sup> Point 6 of the Witness Statement of Mr Roger Young

<sup>34</sup> Exhibit MAR9a of the Witness Statement of Mr Roger Young

<sup>35</sup> Exhibit DT17 of the Witness Statement of Mr David Tate

he is a part of this club and, along with others, volunteers to help run it.<sup>36</sup> Mr Young also confirms that he is an owner of a MARCOS car; and

- k. The 'About the Marcos Owners Club' page shows a number of different marks under the MARCOS branding,<sup>37</sup> one of which is the applicant's mark. While this evidence is dated after the relevant date, the applicant acknowledges its presence on the website and also states that it has been used on various other web sites other than the Marcos Owners Club website and showed examples of this use on other websites.<sup>38</sup>

66. As set out in the case law above, a claim of bad faith must be judged at the relevant date, being the date of the application in issue. In this case, the relevant date is 30 September 2019.

67. In assessing the opponent's evidence, I do not consider that it has provided evidence of any direct link between actions of bad faith by the applicants and the application at issue. While I note that the opponent's evidence shows instances where Mr Brown said things about his company that were untrue (particularly the claim that he acquired 'the original company'), this does not automatically mean that he acted in bad faith by making the application jointly with Mr Young. Further, the evidence focuses on Mr Brown's actions regarding the manufacturing of cars but makes no mention of any actions regarding the applicants' intention surrounding clothing, being the type of goods covered by the application. Taking all of the evidence into account, it is my view that the opponent has failed to make out a prima facie case of bad faith in relation to the application. As a result, the opposition based upon section 3(6) fails.

## **CONCLUSION**

68. The opposition fails in its entirety and application may now proceed to registration.

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<sup>36</sup> Point 13 of the Witness Statement of Mr Roger Young

<sup>37</sup> Exhibit DT17 of the Witness Statement of Mr David Tate

<sup>38</sup> Point 13 and Exhibit MAR11 of the Witness Statement of Mr Roger Young

## **COSTS**

69. The applicants have been successful. Being unrepresented, the applicants had the opportunity to make a claim for an award of costs in these proceedings by filing a costs proforma. However, as the applicants elected not to file a costs proforma, I am unable to make an award of costs in their favour. As a result, I make no award of costs.

**Dated this 18th day of August 2021**

**A COOPER**

**For the Registrar**