

O/0043/24

TRADE MARKS ACT 1994

CONSOLIDATED PROCEEDINGS

IN THE MATTER OF APPLICATION NUMBERS 3769147 AND 3769157

**IN THE NAME OF LI LI
FOR THE TRADE MARKS**

EMOTORAD

AND



IN CLASS 12

AND

**THE OPPOSITIONS THERETO UNDER NUMBERS 436384 AND 436385
BY BAYERISCHE MOTOREN WERKE AKTIENGESELLSCHAFT**

Background and pleadings

1. On 23 March 2022, Li Li (“the applicant”) filed the two applications shown on the cover page of this decision, in class 12, for *Hand carts; Pumps for bicycles, cycles; Self-balancing two-wheeled electric scooters; Tires for bicycles, cycles; Automobiles; Bicycle stands [kickstands]; Electric bicycles; Self-propelled electric vehicle; Cycles; Carrier tricycles; Two-wheeled motor vehicles; Balance bicycles [vehicles]; Axles for vehicles; Interior trim for automobiles; Mudguards for bicycles; Electric cars; Parts and fittings for vehicles; Inner tubes for bicycle tyres.*

2. Following publication, both applications were opposed by Bayerische Motoren Werke Aktiengesellschaft (“the opponent”) under sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”). The opponent relies upon the following earlier trade mark registration for its section 5(2)(b) and 5(3) grounds, as follows:

902932671

BMW Motorrad

Class 12: Motors and engines for land vehicles; Vehicles, apparatus for locomotion by land; parts for all the aforesaid goods, included in class 12.

Filing date: 14 November 2002; registration date: 14 April 2004.

3. Under section 5(2)(b) of the Act, the opponent claims that the parties’ goods are identical and/or very similar and that the marks are similar, sharing a very similar second, dominant, component. It claims that these factors lead to a likelihood of confusion.

4. Under section 5(3) of the Act, the opponent claims a reputation in its mark for the goods relied upon since 2002, such that the relevant public will believe that the applicant’s goods come from the opponent or an undertaking linked to the opponent. Further, the opponent claims that the contested applications will ‘ride on the coat tails’

of the earlier mark, unfairly benefitting from its repute. The opponent also claims that use of the contested applications will erode the distinctiveness of the earlier mark.

5. Under section 5(4)(a) of the Act, the opponent claims that it has used the following sign in the UK since at least 2002 in relation to the goods relied upon for its other grounds of opposition:

BMW Motorrad

6. The opponent claims that its goodwill in the business of these goods, distinguished by its sign, entitles it to prevent the use of the applications under the law of passing off.

7. The applicant filed defences and counterstatements, denying the grounds of opposition and putting the opponent to proof that it has used its mark. At this point, the two sets of proceedings were consolidated.

8. The opponent is represented by Palmer Biggs IP, Solicitors and the applicant by Jinxujia. Only the opponent filed evidence, which was accompanied by written submissions. Neither party chose to be heard and only the applicant filed written submissions in lieu of a hearing. I make this decision after a careful consideration of all the papers on file.

Proof of use

9. The first task is to assess whether the evidence supports the opponent's statement that it has made genuine use of its mark in relation to the goods upon which it relies in its pleadings.¹ The relevant period for this purpose is the five years ending on the filing date of the contested applications: 24 March 2017 to 23 March 2022.

10. Section 6A of the Act states:

¹ The applicant has asked, in error, for proof of use for the entirety of the opponent's class 12 specification, which goes wider than the goods relied upon and for which the opponent has made a statement of use.

“(1) This section applies where

- (a) an application for registration of a trade mark has been published,
- (b) there is an earlier trade mark of a kind falling within section 6(1)(a), (aa) or (ba) in relation to which the conditions set out in section 5(1), (2) or (3) obtain, and
- (c) the registration procedure for the earlier trade mark was completed before the start of the relevant period.

(1A) In this section “the relevant period” means the period of 5 years ending with the date of the application for registration mentioned in subsection (1)(a) or (where applicable) the date of the priority claimed for that application.

(2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier trade mark unless the use conditions are met.

(3) The use conditions are met if –

- (a) within the relevant period the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or
- (b) the earlier trade mark has not been so used, but there are proper reasons for non- use.

(4) For these purposes –

- (a) use of a trade mark includes use in a form (the “variant form”) differing in elements which do not alter the distinctive character of the mark in the form in which it was registered (regardless of whether or not the trade

mark in the variant form is also registered in the name of the proprietor),
and

(b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(5)-(5A) [Repealed]

(6) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.”

11. The earlier mark is a ‘comparable mark’. This means that it is a UK registered mark, derived from an EU trade mark (“EUTM”). The EUTM became a UK registered ‘comparable’ trade mark at 11pm on 31 December 2020.² For the part of the five year period up until then, the opponent is entitled to rely upon use in the EU (which included the UK before that date). For the part of the relevant period of use after that date, the opponent may only rely upon use in the UK because the UK was no longer part of the EU. This is provided for in paragraph 7 of Part 1, Schedule 2A of the Act:

“7.— (1) Section 6A applies where an earlier trade mark is a comparable trade mark (EU), subject to the modifications set out below.

(2) Where the relevant period referred to in section 6A(3)(a) (the "five-year period") has expired before IP completion day—

(a) the references in section 6A(3) and (6) to the earlier trade mark are to be treated as references to the corresponding EUTM; and

² The Trade Marks (Amendment etc.) (EU Exit) Regulations 2019; also see Tribunal Practice Notice 2/2020.

(b) the references in section 6A(3) and (4) to the United Kingdom include the European Union.

(3) Where [IP completion day] falls within the five-year period, in respect of that part of the five-year period which falls before IP completion day —

(a) the references in section 6A(3) and (6) to the earlier trade mark are to be treated as references to the corresponding EUTM ; and

(b) the references in section 6A to the United Kingdom include the European Union.”

12. The onus is on the opponent, as the proprietor of the earlier mark, to show genuine use because Section 100 of the Act states:

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

13. In *easyGroup Ltd v Nuclei Ltd & Ors* [2023] EWCA Civ 1247, Arnold LJ summarised the law relating to genuine use as follows:

“105. The principles applicable to determining whether there has been genuine use of a trade mark have been considered by the CJEU in a considerable number of cases, the principal decisions being Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, Case C-259/02 *La Mer Technology Inc v Laboratories Goemar SA* [2004] ECR I-1159, Case C-416/04 P *Sunrider Corp v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [2006] ECR I-4237, Case C-442/07 *Verein Radetsky-Order v Bundesvereinigung Kamaradschaft 'Feldmarschall Radetsky'* [2008] ECR I-9223, Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759, Case C-149/11 *Leno Merken BV v Hagelkruis Beheer BV* [EU:C:2012:816], Case C-609/11 *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], Case C-141/13 P *Reber Holding & Co KG v Office for Harmonisation in the Internal Market (Trade*

Marks and Designs) [EU:C:2014:2089], Case C-689/15 *W.F. Gözze Frottierweberei GmbH v Verein Bremer Baumwollbörse* [EU:C:2017:434] and Joined Cases C-720/18 and C-721/18 *Ferrari SpA v DU* [EU:C:2020:854].

106. Ignoring issues which do not arise in the present case, such as use in relation to spare parts or second-hand goods and use in relation to a sub-category of goods or services, the principles may be summarised as follows:

(1) Genuine use means actual use of the trade mark by the proprietor or by a third party with authority to use the mark: *Ansul* at [35] and [37].

(2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Centrotherm* at [71]; *Leno* at [29]; *Ferrari* at [32].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Centrotherm* at [71]; *Leno* at [29]; *Gözze* at [37], [40]; *Ferrari* at [32].

(4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: *Ansul* at [37]. Internal use by the proprietor does not suffice: *Ansul* at [37]; *Verein* at [14]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle* at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].

(5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d'être* of the mark, which is to create or preserve an outlet for the goods or services that bear the mark: *Ansul* at [37]-[38]; *Verein* at [14]; *Silberquelle* at [18]; *Centrotherm* at [71].

(6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence that the proprietor is able to provide; and (g) the territorial extent of the use: *Ansul* at [38] and [39]; *La Mer* at [22]-[23]; *Sunrider* at [70]-[71], [76]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34]; *Leno* at [29]-[30], [56]; *Ferrari* at [33].

(7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor. Thus there is no *de minimis* rule: *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72]; *Leno* at [55].

(8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [32].”

14. Bettina May, who has been the opponent’s Legal Counsel Trademarks, Designs and Legal Issues Relating to Intellectual Property Law since 2003, has given evidence.³ She begins by stating that the opponent, BMW, is one of the most well-known and longstanding quality vehicle makers in the world. I take judicial notice of this fact, at least as far as the UK is concerned. Ms May states that the opponent’s motorcycle business has at all times been conducted under its motorcycle brand BMW Motorrad (since 1923). The opponent’s UK website, bmw-motorrad.co.uk, shows a brief history of the brand at Exhibit BM1. Sometimes it is the earlier mark which is referred to and sometimes BMW, with or without a model name or number following;

³ Witness statement dated 23 March 2023 and exhibits.

e.g. Page 12 of the evidence indicates that the BMW R37's engine was BMW Motorrad's first sports model, in 1924. Some images show a blue and white roundel device alongside the earlier mark:



15. Ms May states that over 20 different models of motorcycles and their parts have been marketed and sold under the earlier mark throughout the UK since 2002. The various models are identified in Exhibit BM4 which comprises prints from the UK website which bears the composite mark shown above. Although the website is undated, Ms May confirms that all of the models shown were promoted and sold in the UK under the earlier mark during the relevant period. Further examples of the website being in existence during previous years are shown at Exhibit BM21, from the Wayback Machine, the internet archive. Ms May states that although not all of the motorcycle models have had the earlier mark affixed to them, the sale of each motorcycle and their parts have at all times involved and been made with reference to the earlier mark in one way or another (e.g. branded packaging, manuals, information leaflets, point of sale signage and invoices bearing the earlier mark). Ms May states that Exhibit BM5 shows examples of models marketed and sold in the UK during the relevant period with the earlier mark affixed to them:

- BMW HP4 RACE



- Concept CE 02 and CE04 – electric motorcycles



- S 1000 RR

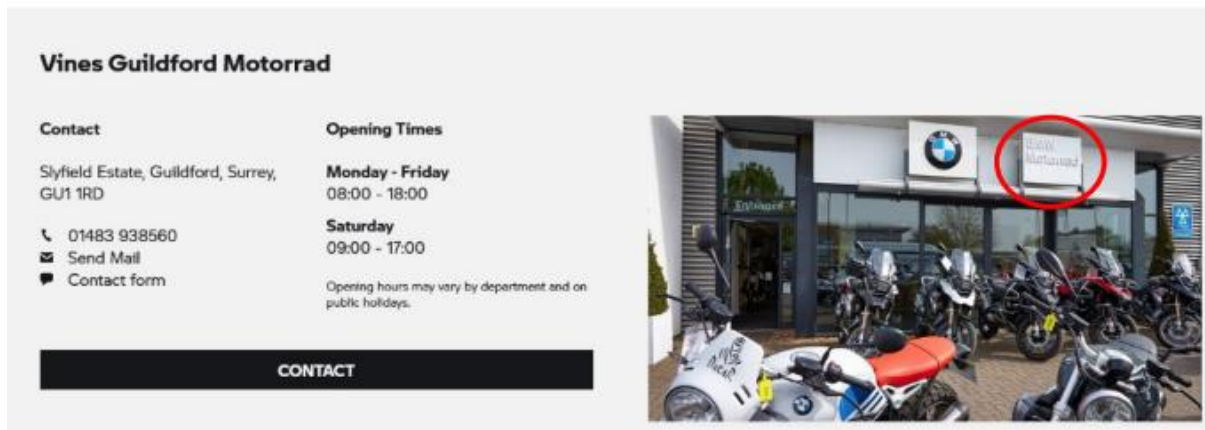


16. Ms May states that, during the relevant period, the opponent had over 40 authorised dealers marketing and selling motorcycles and their parts under the earlier

mark throughout the UK, shown as a list at Exhibit BM6. The locations given are throughout the UK. Ms May states that the dealers have at all relevant times been required to show the earlier mark in their showrooms, on exterior signage, stationery, brochures and on websites. An example is given in Exhibit BM9, which is the exterior of a dealer based in Guildford, as of 23 January 2022:

VINES GUILDFORD MOTORRAD

OVER 40 YEARS EXPERIENCE



17. Ms May provides the following sales figures for motorcycles and their parts under the earlier mark in the UK:

Year	Revenue (at retail cost)
2017	£202 million
2018	£211 million
2019	£194 million
2020	£229 million
2021	£228 million

18. Ms May states that at least 83% of the figures relate to the sale of motorcycles, 12% to motorcycle parts and accessories and the balance of 5% to labour sales/services. She gives the number of new and used motorcycles sold by the opponents' authorised retailers in the UK under the earlier mark during the relevant period, as follows:

Year	New	Used
2017	6678	6844
2018	6252	8197
2019	6635	9058
2020	5250	8222
2021	6410	8241
2022	5476	8162

19. Ms May states that the true figures are higher as the above do not take into account sales made to the police, health authorities or to race teams. A report on statista.com shows that, between 2015 and 2021, the opponent was among the five leading motorcycle vendors in the UK (the others being Honda, Yamaha, Lexmoto and Triumph).⁴ Ms May states that, between 2017 and 2022, BMW Motorrad motorcycles represented a market share in the UK of between 16.5% and 18.1%.⁵ Marketing expenditure under the earlier mark was:

Year	Spend
2017	£2.4 million
2018	£2.4 million
2019	£2.5 million
2020	£2.3 million
2021	£1.9 million
2022	£2.1 million

20. Ms May states that BMW Motorrad motorcycles are promoted in yearly brochures, confirming that they are distributed by the dealers to the public and they are available in dealers' showrooms. She provides some examples from 2018 and 2020 at Exhibit BM14. The mark appears on the front page and at the top of each subsequent page (e.g. "BMW Motorrad range 2018"), and:

⁴ Exhibit BM11.

⁵ As shown at Exhibit BM12, the year-end reports for the UK for BMW Motorrad for these years.



21. The website bmw-motorrad.co.uk appears at the bottom of each page. The models themselves appear to be called BMW along with an identifier, such as BMW R 1200 RS and BMW R Nine T. In relation to the latter model, I note a description on page 119:

“Away from its retro roots, this bike has innovative technology and is finished with customary BMW Motorrad quality.”

22. I note that the specifications include “BMW Motorrad ABS” as standard equipment. The BMW C 650 GT is described as “the most exclusive and innovative maxi scooter from BMW Motorrad”.⁶ Page 134 the 2020 brochure says “...the BMW Motorrad Sport range combines all-round ability...”.

23. Exhibit BM15 comprises a copy of a photograph of the opponent’s exhibition at the London Motorcycle show in February 2022:



⁶ Page 128, Exhibit BM14.

24. Racing events at which BMW Motorrad motorcycles participated include the annual British Superbike Championship and the annual Isle of Man TT. Ms May states that both are famous races with large UK fan bases. Articles relating to the 2021 British Superbike Championship and to BMW Motorrad's participation are shown at Exhibits BM16 (bikesportnews.com) and BM17 (Wikipedia). Exhibits BM18 and BM19 contain an article about the 2019 TT race (in a publication called 'visor down'), and a screenshot from Youtube during the 2017 TT race, referring to a rider on the Penz13.com BMW Motorrad racing superbike.

25. Ms May gives some details about the opponent's social media presence under the earlier mark. The official BMW Motorrad Facebook page has over 163,000 followers (Exhibit BM23). Exhibit BM22 comprises screenshots from the Instagram page, with pictures of motorbikes bearing the earlier mark. One of these is the electric motorbike Concept CE 02, showing the mark above one of the forks. The wording next to it makes it clear the post is dated in February 2022. Ms May states that the Instagram account has had nearly 35,000 followers since 2013. A screenshot of a 2017 Facebook post refers to "the BMW Motorrad test ride truck is out in force this weekend..." at a location in Yorkshire. A post from 3 October 2019 said "Motorcycle Live 2019 will provide the UK debut for the 2020 BMW Motorrad model range...". A post dated 9 March 2022 shows images of the new electric motorbike, the CE 04:



26. The opponent also has a UK-specific BMW Motorrad YouTube channel which has almost 25,000 subscribers, 21,000 of which were gained between 24 March 2017 and 23 April 2022. The channel had over 7.7 million views during this period, as shown in the analytics provided at Exhibit BM27. A list of videos and the number of views is shown in Exhibit BM28. Exhibit BM26 shows YouTube screenshots from the channel. I note that one of them is entitled “2019 BMW Motorrad Adventure Range”.

27. Ms May refers to a number of awards from the Motor Cycle News magazine, which she states is a weekly publication. However, I note from Exhibit BM29 that it is the individual models which have won awards; there is mention of BMW, but not of the earlier mark. Exhibit BM31 comprises copies of articles in third-party publications. I note one, from a few months prior to the proof of use period dated 12 October 2016, concerns “BMW Motorrad Vision Next 100 is a concept bike that can’t fall over”.⁷ Other press articles relate to dealerships and aftercare services, which does not prove genuine use in relation to the goods relied upon. However, I note an article in shropshirestar.com/news entitled “BMW Motorrad reveals 2021 upgrades for its range of motorbikes”, dated 30 July 2020. An article from two years ago on carthrottle.com refers to BMW Motorrad’s first ever ‘M’ product, the 210bhp carbon-wheeled M 1000 RR. An article on superbike-news.co.uk, dated 14 January 2022, is entitled “BMW Motorrad reveals R 18 M and R 18 Aurora at the Verona motor Bike Expo”.

28. The applicant submits that the earlier mark is not used as registered, but in the form of the blue and white roundel. Whilst there is some use of the earlier mark in conjunction with the roundel, this does not affect a finding that there has been use of the mark in its registered form. This is because the Court of Justice of the European Union (“CJEU”) has stated that the “‘use’ of a mark, in its literal sense, generally encompasses both its independent use and its use as part of another mark taken as a whole or in conjunction with that other mark” as long as the mark is perceived as indicative of the trade origin of the goods or service.⁸ In any event, there is also use of the earlier mark by itself; such as the images of motorbikes at paragraph 15; the exterior signage in paragraph 16; the clear separation from the roundel in the brochure

⁷ autoexpress.co.uk

⁸ *Colloseum Holdings AG v Levi Strauss & Co.*, Case C-12/12, paragraphs 31 to 35.

at paragraph 20; and use of the words within the brochures. The mark has been used in its registered form.

29. An assessment of genuine use is a global assessment, which includes looking at the evidential picture as a whole, not whether each piece of evidence shows use by itself.⁹ The mark has been used in its registered form and the evidence is that in the relevant period, BMW Motorrad motorcycles represented between 16.5% and 18.1% of the UK market. That is a sizeable proportion. Annual advertising expenditure was regularly over £2 million and annual revenue at around, or over, £200 million. I find that the opponent made genuine use of the earlier mark in the relevant period.

30. I am required to determine in relation to which goods the mark has been used and, if that use is not on everything relied upon (in the registered specification), or a reasonable range of goods within the terms in the specification, to decide upon a reduced, fair specification represented by the use. In so doing, I am guided by *Property Renaissance Ltd (t/a Titanic Spa) v Stanley Dock Hotel Ltd (t/a Titanic Hotel Liverpool) & Ors*, in which Mr Justice Carr summed up the law relating to partial revocation as follows:¹⁰

“iii) Where the trade mark proprietor has made genuine use of the mark in respect of some goods or services covered by the general wording of the specification, and not others, it is necessary for the court to arrive at a fair specification in the circumstance, which may require amendment; *Thomas Pink Ltd v Victoria's Secret UK Ltd* [2014] EWHC 2631 (Ch) ("Thomas Pink") at [52].

iv) In cases of partial revocation, pursuant to section 46(5) of the Trade Marks Act 1994, the question is how would the average consumer fairly describe the services in relation to which the trade mark has been used; *Thomas Pink* at [53].

⁹ *New Yorker SHK Jeans GmbH & Co. KG v OHIM*, General Court of the European Union, Case T-415/09.

¹⁰ [2016] EWHC 3103 (Ch).

v) It is not the task of the court to describe the use made by the trade mark proprietor in the narrowest possible terms unless that is what the average consumer would do. For example, in *Pan World Brands v Tripp Ltd* (Extreme Trade Mark) [2008] RPC 2 it was held that use in relation to holdalls justified a registration for luggage generally; *Thomas Pink* at [53].

vi) A trade mark proprietor should not be allowed to monopolise the use of a trade mark in relation to a general category of goods or services simply because he has used it in relation to a few. Conversely, a proprietor cannot reasonably be expected to use a mark in relation to all possible variations of the particular goods or services covered by the registration. *Maier v Asos Plc* [2015] EWCA Civ 220 ("Asos") at [56] and [60].

vii) In some cases, it may be possible to identify subcategories of goods or services within a general term which are capable of being viewed independently. In such cases, use in relation to only one subcategory will not constitute use in relation to all other subcategories. On the other hand, protection must not be cut down to those precise goods or services in relation to which the mark has been used. This would be to strip the proprietor of protection for all goods or services which the average consumer would consider to belong to the same group or category as those for which the mark has been used and which are not in substance different from them; *Mundipharma AG v OHIM* (Case T-256/04) ECR II-449; EU:T:2007:46."

31. The evidence does not support a finding of genuine use across all the goods relied upon, which are *motors and engines for land vehicles; vehicles, apparatus for locomotion by land; parts for all the aforesaid goods*. Whilst the evidence shows use in relation to motorcycles, which are a subcategory of *vehicles, apparatus for locomotion by land*, that term covers all types of land vehicles. There has only been use in the subcategory. I have considered whether some of the evidence points more to use in relation to retail than to use in relation to goods, but have concluded that a) there is direct use on some of the motorcycles themselves and b) this is a case where the line is fine between retail of own branded goods and the goods themselves. In

TUI Travel Amber E&W LLP v Thompson Hotels LLC, BL O/440/14, Mr Daniel Alexander QC, sitting as the Appointed Person, observed:

“34. It suffices to say that difficult questions sometimes arise in cases where a mark is said to be used in respect of certain goods or services has been used by an undertaking which has been responsible for selecting those goods or services or arranging for them to be provided. In such a case, the nature of the use and the attendant reputation generated thereby may depend heavily on the context. For example, a greengrocer bearing a sign above the shop and selling loose apples which it has selected might be said to have used its sign in relation to apples. Conversely, a grocer bearing a similar sign above its shop but selling many types of individually branded goods may find it impossible to say that its sign has been used in relation to baked beans, simply because the shop has selected and stocks Heinz baked beans.”

32. A similar situation arose in *Cactus SA v OHIM*, Case T-24/13, in which the General Court of the European Union (“GC”) held that the owner of what was then a CTM (now an EUTM) who used the mark only as the name of a shop had used the mark “in relation to” the natural plants, flowers and grains sold in the shop as well as in relation to retail services for those goods. This is because it had demonstrated that the public would link the otherwise unbranded goods to the mark used for the shop and regard the user of that mark as being responsible for the quality of the goods. The distinction in the example given by the Appointed Person is that the apples bear no third party trade mark, whereas the baked beans do. The greengrocer retail services and the goods themselves are bound up together, but not so in the example of a retailer selling goods which themselves have trade marks or branding which is not the same as that of the retailer. In the present case, there is use in relation to dealerships selling vehicles which bear the earlier mark, and some which are identified by model names and numbers. Model names and numbers are ubiquitous in relation to vehicles in addition to the main, or ‘house brand’. The use shown in the evidence in relation to goods which do not bear the earlier mark does not fall into the camp of the grocer selling third-party brands, but rather the greengrocer. There is use of the mark in relation to motorcycles. There is a small amount of use in relation to scooters. In any

event, it would be pernicky to exclude scooters which are closely related to motorcycles, as shown in the evidence.

33. In *Ferrari SpA v Du*, Joined Cases C9720/18 and C-721/18, the CJEU considered a registration for “Vehicles; apparatus for locomotion by land, air or water, in particular motor cars and parts thereof.” The court stated:

“34 The fact that a mark is not used for goods newly available on the market but for goods that were sold in the past does not mean that its use is not genuine, if the proprietor makes actual use of the same mark for component parts that are integral to the make-up or structure of such goods, or for goods or services directly connected with the goods previously sold and intended to meet the needs of customers of those goods (judgment of 11 March 2003, *Ansul*, C-40/01, EU:C:2003:145, paragraph 43).

35 It follows from that case-law that the use, by its proprietor, of a registered trade mark in respect of replacement parts forming an integral part of the goods covered by that mark is capable of constituting ‘genuine use’, within the meaning of Article 12(1) of Directive 2008/95, not only for the replacement parts themselves but also for the goods covered by that mark. It is irrelevant in that regard that the registration of that mark covers not only entire goods but also replacement parts thereof.”

34. 12% of the opponent’s turnover figures relate to motorcycle parts and accessories. Even leaving aside accessories (which could be clothing or helmets), it is likely that this still includes a substantial sum on parts, given the size of the turnover figures. Motors and engines are also parts. Taking the above case law together with the 12% figure in the evidence, I find that there has been genuine use made of the mark in relation to *Motors and engines for motorcycles and for scooters; motorcycles and scooters; parts for all the aforesaid goods, included in class 12.*

35. The opponent may rely upon these goods for its section 5(2)(b) ground and for the section 5(3) ground, dependent upon the existence of a qualifying reputation in the case of the latter ground.

Section 5(2)(b) of the Act

36. Section 5(2)(b) states:

“5. (2) A trade mark shall not be registered if because –

(a) ...

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

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.”

37. Section 5A states:

“Where grounds for refusal of an application for registration of a trade mark exist in respect of only some of the goods or services in respect of which the trade mark is applied for, the application is to be refused in relation to those goods and services only.”¹¹

38. The following principles for determining whether there is a likelihood of confusion under section 5(2)(b) of the Act are taken from the decisions of the CJEU in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P.

¹¹ This section also applies to the grounds raised under sections 5(3) and 5(4)(a) of the Act.

The principles

- (a) The likelihood of confusion must be appreciated globally, taking account of all relevant factors;

- (b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;

- (c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;

- (d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

- (e) nevertheless, the overall impression conveyed to the public by a composite trade mark may be dominated by one or more of its components;

- (f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

- (g) a lesser degree of similarity between the goods or services may be offset by a great degree of similarity between the marks, and vice versa;

(h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;

(i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;

(j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;

(k) if the association between the marks creates a risk that the public might believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

Comparison of goods

39. The applicant submits that the parties are in different businesses and sell different products. This submission has no relevance to the comparison of goods as required for section 5(2)(b) of the Act because the comparison is not confined to the opponent's, or the applicant's, current mode of business. A trade mark application (and registration) is a claim to a piece of legal property. The level of protection provided is normally based on a notional assessment of the likelihood of confusion between the marks. In *O2 Holdings Limited, O2 (UK) Limited v Hutchison 3G UK Limited* (Case C-533/06), the CJEU stated at paragraph 66 of its judgment that when assessing the likelihood of confusion in the context of registering a new trade mark it is necessary to consider all the circumstances in which the mark applied for might be used if it were registered. As a result, even though the applicant has given certain assurances about the goods upon which the mark will be used, my assessment must take into account only the applied-for mark and its specification and any potential conflict with the earlier trade mark. The opponent's earlier mark is entitled to protection against a likelihood of confusion with the contested marks based on the 'notional' use of the earlier mark for the goods in relation to which I have found genuine use. The comparison is to be made on the basis of notional use of the goods in both parties' specifications.

40. The parties' respective goods to be compared in accordance with the above caselaw are:

Earlier mark	Applications
Class 12: <i>Motors and engines for land vehicles; motorcycles and scooters; parts for all the aforesaid goods.</i>	Class 12: <i>Hand carts; Pumps for bicycles, cycles; Self-balancing two-wheeled electric scooters; Tires for bicycles, cycles; Automobiles; Bicycle stands [kickstands]; Electric bicycles; Self-propelled electric vehicle; Cycles; Carrier tricycles; Two-wheeled motor vehicles; Balance bicycles [vehicles]; Axles for vehicles; Interior trim for automobiles; Mudguards for bicycles; Electric cars; Parts and fittings for vehicles; Inner tubes for bicycle tyres.</i>

41. The law requires that goods/services be considered identical where one party's description of its goods/services encompasses the specific goods/services covered by the other party's description (and vice versa).¹² The applicant's specifications include the term *Two-wheeled motor vehicles* which covers the opponent's *motorcycles* and *scooters*. These are identical goods. The opponent's *scooters* covers the applicant's *Self-balancing two-wheeled electric scooters*. These are identical goods. The applicant's *Self-propelled electric vehicle* covers the opponents' *motorcycles* and *scooters*. These are identical goods. The applicant's *Parts and fittings for vehicles* covers the opponent's parts for motorcycles and scooters. These goods are identical. There is no evidence before me about whether motorcycles incorporate axles. On the basis that motorcycles have wheels positioned between forks (at least at the front), I assume that they have axles which means that the applicant's *Axles for vehicles* are identical to the opponent's parts for motorcycles. If that is not the case, they are highly similar to a part of a motorcycle which performs the same function.

¹² *Gérard Meric v OHIM*, Case T-33/05, General Court of the European Union.

42. The remainder of the goods are not identical, requiring a comparison to be made to determine whether, and to what extent, they are similar. In comparing the respective specifications, all relevant factors should be considered, as per *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.* where the CJEU stated at paragraph 23 of its judgment:

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

43. Additionally, the criteria identified in *British Sugar Plc v James Robertson & Sons Limited (“Treat”)* [1996] R.P.C. 281 for assessing similarity between goods and services also include an assessment of the channels of trade of the respective goods or services.

44. In *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)*, the GC stated that complementary means:¹³

“82 ... there is a close connection between [the goods], in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking...”¹⁴

45. The applicant’s specifications include the terms *cycles* and *carrier tricycles*. Despite the construction of these words and that of the opponent’s *motorcycles*, (i.e. motorcycles incorporates ‘cycles’) they are not identical, in the sense that ‘cycles’ is not a broad term of which ‘motorcycles’ is a subset. In *Sky v Skykick* [2020] EWHC 990 (Ch), Lord Justice Arnold considered the validity of trade marks registered for,

¹³ Case T-325/06, the General Court of the European Union.

¹⁴ In *Kurt Hesse v OHIM*, Case C-50/15 P, the CJEU stated that complementarity is capable of being the sole basis for the existence of similarity between goods and services.

amongst many other things, the general term ‘computer software’. In the course of his judgment he set out the following summary of the correct approach to interpreting broad and/or vague terms:

“...the applicable principles of interpretation are as follows:

(1) General terms are to be interpreted as covering the goods or services clearly covered by the literal meaning of the terms, and not other goods or services.

(2) In the case of services, the terms used should not be interpreted widely, but confined to the core of the possible meanings attributable to the terms.

(3) An unclear or imprecise term should be narrowly interpreted as extending only to such goods or services as it clearly covers.

(4) A term which cannot be interpreted is to be disregarded.”

46. The first of the above points is relevant to interpreting the following terms in the applicant’s specifications: *automobiles*; *cycles*; and *carrier tricycles*. The natural and core meaning of *automobile*, as would be understood by the UK average consumer, is a four-wheeled vehicle which is covered (i.e. has an interior), such as a car or SUV. The term would not be understood as covering motorcycles or scooters. The natural and core meaning of *cycle* is a bicycle, and a *tricycle* is a bicycle with three wheels. I will compare the parties’ goods in groups if the same reasoning is applicable to the goods falling within the groups.¹⁵

Automobiles; Electric cars

47. Although there are differences between the overall look of a motorcycle and a car, there is a low degree of similarity in nature between the parties’ goods because they

¹⁵ See *Separode Trade Mark* (BL O/399/10) and *BVBA Management, Training en Consultancy v. BeneluxMerkenbureau* [2007] ETMR 35 at paragraphs 30 to 38.

are generally composed of metal casings, with automotive components such as engines and brakes, wheels and tyres. The purpose of the goods is the same: locomotion and transport, and both parties' goods can be specifically for racing and rallying. All the goods can be bought via the same channels of trade. They are not complementary, but they are in competition. Users are the same (those who have licences to drive automobiles/cars and to ride motorcycles and scooters). The methods of use have some similarities, e.g. starting and stopping the vehicle and observing highway rules on a journey, although riding motorcycles and scooters entails protective clothing being worn. The goods are similar to a low to medium degree.

Electric bicycles; cycles

48. In *Zweirad-Center Stadler GmbH v EUIPO*, Case T-12/18, the GC considered an opposition against an application for the mark TRIUMPH for, *inter alia*, 'Bicycles, parts thereof and bicycle accessories, namely frames, handles, stems, gear systems, pedals, saddles, seats, chains, rims, mud guards, anti-theft devices, luggage carriers, pumps, wire baskets, all of aforementioned goods for bicycles'. The earlier mark (also TRIUMPH) covered, *inter alia*, 'Motorcycles; luggage racks; alarm devices for motorcycles and vehicles; stands for motorcycles; tyres; parts, accessories and fittings for all of the aforesaid goods'. The applicant argued that the goods were not similar, that bicycles and motorcycles differ in nature, form, structure and material, and that this also meant that their parts were dissimilar. The Board of Appeal at the EUIPO had found a low degree of similarity between the goods. The GC stated:

"28 The Board of Appeal was right in observing that both types of goods share a purpose of locomotion and in finding that the goods at issue can both be used for leisure and entertainment purposes. In addition, it correctly established that there is a market intersection in the segment for small motorcycles, which are often more similar to bicycles with a supplementary engine than to motorcycles with a large engine displacement. Lastly, it rightly noted that those goods can share the same origin, as, historically, many manufacturers of motorcycles, including the intervener, also produced bicycles, although that is less common nowadays than in the past.

29 That finding is not challenged by the applicant's arguments that the form of those two types of products differs, inter alia, in that bicycles, including electric bicycles, have pedals which are used to get them moving, whereas motorcycles do not.

30 In that regard, like EUIPO and the intervener, the Court notes that, while it is recognised that differences generally exist in their form, in particular with regards to pedals, those goods nevertheless coincide greatly in other respects, in that, inter alia, they both usually have two wheels, a saddle or seat, and a handlebar. In addition, it must be pointed out that motorcycles with a very low engine displacement often have pedals. As observed in paragraph 28, it is precisely that segment that constitutes a market intersection with the segment for bicycles with a supplementary engine.

31 Moreover, the Board of Appeal's finding is not challenged either by the applicant's argument that those goods are used differently in terms of distances covered and speed and in so far as the use of motorcycles is reserved for people holding a specific driving licence and requires wearing a helmet.

32 Indeed, it must be stated that, even if those goods are different in terms of distances covered and speed, the fact remains that both types of goods are means of transportation used, usually, by a single person. Users of those two types of goods often wear helmets, even if that is not mandatory in all cases. While the use of certain motorcycles is reserved for people holding a driving licence under the national rules applicable, the relevant consumer does not differ, in so far as the public at large buys bicycles as well as motorcycles.

33 Lastly, even if, as the applicant argues, it is nowadays less common than in the past that a producer of bicycles also produces vehicles with engines, it is important to note that the fact remains that 'bicycles' and 'motorcycles' sometimes share the same origin.

34 On the basis of those considerations, the Board of Appeal was right to find a low degree of similarity between ‘bicycles’ in Class 12, covered by the mark applied for, and ‘motorcycles’ in Class 12, covered by the earlier mark.

35 The finding that ‘bicycles’ and ‘motorcycles’ are similar to a low degree is further supported by the Court’s decision in its judgment of 16 May 2007, *Trek Bicycle v OHIM — Audi (ALLTREK)* (T-158/05, not published, EU:T:2007:143), in which the Court upheld a decision of the Fourth Board of Appeal of EUIPO establishing a low similarity between ‘bicycles’ and ‘motor cars and parts thereof’ (judgment of 16 May 2007, *ALLTREK*, T-158/05, not published, EU:T:2007:143, paragraph 53 to 56). Since the category ‘motorcycles’, at issue in the present case, is both narrower than that of ‘motor cars and parts thereof’ and closer to ‘bicycles’, the low similarity found by the Court in that judgment is all the more applicable in the present case.

36 In the light of the foregoing, the Court should also reject the applicant’s argument that the lack of similarity between the parts and accessories of bicycles and the parts and accessories of motorcycles follows from the lack of similarity between bicycles and motorcycles. Indeed, since the premiss formulated by the applicant has been invalidated, the Court must also reject the conclusion the applicant draws from it.

37 In those circumstances, the Court agrees, first, with the Opposition Division’s finding, followed in essence by the Board of Appeal, that ‘parts ... and ... accessories, namely frames, handles, stems, gear systems, pedals, saddles, seats, chains, rims, mud guards, anti-theft devices, luggage carriers, pumps, wire baskets, all of aforementioned goods for bicycles’ in Class 12, covered by the mark applied for, are similar to a low degree to ‘parts, accessories and fittings [of motorcycles]’ in Class 12, covered by the earlier mark.

38 The goods mentioned in paragraph 37 may be produced by the same manufacturers and may have the same distribution channels and be aimed at the same consumers. Moreover, those goods, which are ancillary to ‘bicycles’,

on the one hand, and 'motorcycles', on the other hand, share the low similarity that exists between those two categories.

39 It should be noted, in that regard, that in paragraph 75 of the contested decision, which concerns those goods, the Board of Appeal only refers to the (low) similarity between 'parts and accessories' in Class 12, covered by the mark applied for, and 'motorcycles' in Class 12, covered by the earlier mark — and not 'parts, accessories and fittings' of motorcycles. However, given the fact that, at the same time, the Board of Appeal expressly supports the Opposition Division's findings, this is a clerical error that does not affect the legality of the contested decision. The relevant passage, on page 11 of the Opposition Division's decision, clearly refers to 'parts, accessories and fittings' of motorcycles."

49. Although there is reference to the historical production of motorcycles and bicycles by the same producer, I have no evidence before me that this was the case in the UK at the relevant date (23 March 2022). The judgment refers to an intersection, or overlap, in the market for motorcycles with bicycles with a supplementary engine. Electric bicycles are also powered, although by an electric motor fed by a rechargeable battery rather than powered by an engine. The opponent's goods are not limited to a particular type of motorcycle, and so notionally cover small motorcycles of the kind referred to by the GC.¹⁶ The opponent's goods also cover electric motorcycles, powered by a rechargeable battery.

50. The applicant's term *cycles* covers non-electric and electric bicycles. The other similarities noted in the judgment apply to bicycles and motorcycles. Bicycles have pedals and motorcycles have footrests for the feet, as well as, in particular, two wheels, a seat/saddle and handlebars, also present in motorcycles. Bicycles and motorcycles are both used as a means of transportation, usually by a single user wearing a helmet sitting astride the vehicle on the seat/saddle. There is a choice between using a bicycle, especially an electric bicycle, or a motorcycle, for example in commuting. This

¹⁶ Once a fair specification has been decided upon if proof of use has been requested, the cover is on the basis of notional and fair use of goods or services falling within the terms in the specification.

means that there is a degree of competition. Where electric bicycles and smaller electric motorcycles are concerned, both powered by a battery-operated motor, they may also share channels of trade. I bear in mind that a licence is required to ride the opponent's goods but not the applicant's goods. Taking into account all of these factors, and bearing in mind the GC judgment, there is at least a low degree of similarity between the parties' goods.

Carrier tricycles

51. Tricycles are cycles with three wheels: two at the back and one at the front. I assume a carrier tricycle is one which has a rack or some other configuration between the rear wheels for transporting goods, or for food or drink vending. There is at least a low degree of similarity between carrier tricycles and motorcycles and scooters.

Balance bicycles [vehicles]

52. As far as I am aware, balance bicycles are for very young children. They do not have pedals and the idea is that the child learns to balance by moving the bicycle forward with their feet. I have nothing from the parties about these goods. Balance bicycles which are toys fall within class 28 and those which are vehicles fall within class 12. I do not know what sort of use, other than for learning to ride a bicycle, that balance bicycles which are vehicles would be put. There is a very low degree of similarity of nature with motorcycles (metal construction, two wheels and tyres), no similarity of purpose, no complementarity, no competition and no shared method of use, other than sitting astride the vehicle. The applicant's goods are likely to be bought from a bicycle shop or a toy shop (physical or online) which are different trade channels to that of the opponent's motorcycles. There is no meaningful overall level of similarity between balance bicycles and motorcycles. Scooters are much lower powered than motorcycles and the term includes self-balancing scooters, a contraption whereby the user stands on a board between two wheels and is propelled by battery power. Such goods are likely to be found in the same sort of outlets as balance bicycles. They have two wheels and both feature elements of balance. They are unlikely to be in competition as the purpose is different (a balance bicycle being to help learn to ride a

regular bicycle) and are not complementary. There is a low degree of similarity between balance bicycles and scooters.

Tires for bicycles, cycles; Bicycle stands [kickstands]; Mudguards for bicycles; Pumps for bicycles, cycles; Inner tubes for bicycle tyres

53. In the GC's *Triumph* judgment quoted above, a comparison was made between various parts for bicycles and various parts for motorcycles:

“37 In those circumstances, the Court agrees, first, with the Opposition Division's finding, followed in essence by the Board of Appeal, that ‘parts ... and ... accessories, namely frames, handles, stems, gear systems, pedals, saddles, seats, chains, rims, mud guards, anti-theft devices, luggage carriers, pumps, wire baskets, all of aforementioned goods for bicycles’ in Class 12, covered by the mark applied for, are similar to a low degree to ‘parts, accessories and fittings [of motorcycles]’ in Class 12, covered by the earlier mark.

38 The goods mentioned in paragraph 37 may be produced by the same manufacturers and may have the same distribution channels and be aimed at the same consumers. Moreover, those goods, which are ancillary to ‘bicycles’, on the one hand, and ‘motorcycles’, on the other hand, share the low similarity that exists between those two categories.”

54. Accordingly, I find that there is a low degree of similarity between the applicant's goods and the opponent's parts for motorcycles. In particular, I note that both bicycles and motorcycles have tyres, kickstands and mudguards.

Interior trim for automobiles

55. The nature, purpose and method of use is shared with parts for motorcycles and scooters and there may be shared channels of trade because an outlet for motorcycle parts may also sell trim parts for other types of vehicles (automobiles). There is a high degree of similarity.

Hand carts

56. Handcarts are powered by being pushed and go no faster than the user walks. Beyond both parties' goods incorporating wheels, there is no meaningful level of similarity between the goods. They are dissimilar.

The average consumer and the purchasing process

57. As the caselaw cited above indicates, it is necessary to decide who the average consumer is for the parties' goods and how they purchase them. "Average consumer" in the context of trade mark law means the "typical consumer."¹⁷ The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods in question: *Lloyd Schuhfabrik Meyer*.

58. In the *Triumph* case, referred to above, the GC said this about the average consumer:

"In the present case, given the nature of the goods concerned, the Court must uphold the Board of Appeal's findings in paragraphs 64 and 65 of the contested decision — which, moreover, are not disputed by the parties — that, with regard to the goods covered by the marks at issue in Classes 9, 12 and 25, the relevant public is the public at large as well as a specialised public with professional knowledge or expertise in the sector of cycles, and that the degree of attention displayed by the public at large may vary from average to high according to the price category of the vehicles concerned, namely 'motorcycles' covered by the earlier mark or 'bicycles' covered by the mark applied for."


59. I find that the average consumer will pay at least an average degree of attention to the purchase of the some of the parts in the parties' specifications, and likely a

¹⁷ *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch).

higher degree for parts which are more expensive or require close attention to ensure compatibility. For motorcycles and electric bicycles which are expensive and not an everyday purchase, the level of attention will be relatively high. The purchase is likely to be mostly visual, from perusal in shops, websites or catalogues, but there is also likely to be an aural aspect where discussion takes place with a retailer or motorcycle dealer.

Comparison of marks

60. The marks to be compared are:

Earlier mark	The applicant's marks
BMW Motorrad	

61. *Sabel BV v. Puma AG* explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The CJEU stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

“.....it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.”

62. It is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks.

63. The earlier mark consists of two components, BMW and Motorrad, the second component being the longer of the two. Neither component overtly dominates the overall impression. The first of the applicant's marks also consists of two elements, a stylised letter E and the stylised word MOTORAD. Although the letter A is missing the crossbar, it would undoubtedly be seen as an A and read accordingly. The second element is the more dominant in the overall impression by virtue of its length compared to the single letter E. The same components are present in the second of the applicant's marks, with the addition of the stylised letters EM on a solid circular background at the beginning of the mark. Although the EM component has some visual impact, it is less than that of MOTORAD in the overall impression.

64. The marks coincide visually in the similar components, Motorrad and MOTORAD, but differ in the initial elements (BMW, E and EM E). The similar elements are the longest elements in all the marks. I bear in mind the font or stylisation used in the applicant's marks, but this does not remove the level of visual similarity on account of the similar sequence of letters in the word Motorrad and MOTORAD components.¹⁸ I find the parties' marks are similar to a medium degree.

65. The stylisation will not be apparent when the marks are spoken. I bear in mind that enunciating the separate letters BMW means that element takes longer to say than to see, that the only common letter in the initial elements is M (in the second application. Balancing that with the absence of stylisation in aural use, the aural similarity between the marks is also medium.

66. The applicant submits that the concept is different because BMW is a well-known brand. It is not correct to take reputation of an earlier mark into account in assessing the degree of conceptual similarity between marks, as stated by the GC in *Ravensburger AG v OHIM*:¹⁹

¹⁸ See the discussion in *Herno S.P.A. v Miss Sparrow Ltd*, BL O/954/22, Mr Iain Purvis QC sitting as the Appointed Person, [Trade Mark Appeals Decision O/954/22 \(ipo.gov.uk\)](https://www.ipo.gov.uk/decisions/decisions.htm?text=O/954/22).

¹⁹ Case T-243/08. See also the discussion in *Retail Royalty Company v Harrington's Clothing Limited*, BL O/593/20, Mr Philip Harris sitting as the Appointed Person [Trade Marks Appeal to the Appointed Person decision O/593/20 \(ipo.gov.uk\)](https://www.ipo.gov.uk/decisions/decisions.htm?text=O/593/20).

“26 In that regard, first, the applicant maintains that, in its analysis of the similarity of the marks in question, the Board of Appeal failed to take proper account of the fact that the earlier marks enjoyed a reputation and had enhanced distinctive character.

27 It is appropriate at the outset to reject that complaint as unfounded. The reputation of an earlier mark or its particular distinctive character must be taken into consideration for the purposes of assessing the likelihood of confusion, and not for the purposes of assessing the similarity of the marks in question, which is an assessment made prior to that of the likelihood of confusion (see, to that effect, judgment of 27 November 2007 in Case T-434/05 *Gateway v OHIM – Fujitsu Siemens Computers (ACTIVY Media Gateway)*, not published in the ECR, paragraphs 50 and 51).”

67. The letters BMW do not have a concept, nor do the letters in the later marks, E and EM E. The applicant submits that Motorrad is Spanish, meaning motorcycle in English. There is no evidence of this and it is not something of which I am aware (it also does not have a Spanish look or feel to it). If the applicant wished me to take this submission into account it should have been filed as evidence of fact, in the form of dictionary extracts. Motorrad is likely to be perceived as an invented word to the UK average consumer, and so will MOTORAD. The marks do not have a concept and so conceptual similarity is a neutral factor in the global comparison as to whether there is a likelihood of confusion.

Distinctive character of the earlier mark

68. The applicant submits BMW is a famous brand and that, therefore, it is less likely that average consumers would be confused. This would be to count the opponent's fame against it and is wrong in law: the assessment as to whether there is a likelihood of confusion includes considering whether the distinctive character of the earlier mark has been enhanced (i.e. more distinctiveness has been acquired) through the use made of it. If a mark has an inherently high, or an enhanced, level of distinctiveness,

the likelihood of confusion is increased.²⁰ I will begin by considering the inherent distinctive character of the earlier mark before reminding myself of the use that the opponent has made of its mark.

69. The component BMW is of low to average inherent distinctive character and Motorrad is high in inherent distinctive character as an invented word. This is the component that matters most because it is this which is the similar element in the parties' marks.²¹ Overall, the earlier mark has a medium to high level of inherent distinctive character.

70. Distinctive character is a measure of how strongly the earlier mark identifies the goods or services for which it is registered, determined, according to *Lloyd Schuhfabrik Meyer & Co.*, partly by assessing the proportion of the relevant public which, because of the mark, identify the goods or services as originating from a particular undertaking. At paragraph 23, of its judgment, the CJEU stated:

“In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51).

71. The evidence shows that this level of distinctive character has been enhanced to high for motorcycles (there is insufficient evidence in relation to scooters), the mark

²⁰ *Sabel BV v Puma AG*, Case C-251/95.

²¹ In *Kurt Geiger v A-List Corporate Limited*, BL O/075/13, Mr Iain Purvis QC, sitting as the Appointed Person, pointed out that the level of 'distinctive character' is only likely to increase the likelihood of confusion to the extent that it resides in the element(s) of the marks that are identical or similar.

having a 16.5% to 18.1% market share, a high level of turnover and substantial marketing expenditure.

Likelihood of confusion

72. Deciding whether there is a likelihood of confusion is not scientific; it is a matter of considering all the factors, weighing them and looking at their combined effect, in accordance with the authorities set out earlier in this decision. One of those principles states that a lesser degree of similarity between goods and services may be offset by a greater degree of similarity between the trade marks, and vice versa. In this case, there are some identical goods, some which are dissimilar, and some which fall in the medium to low, or low, ranges of similarity. Where there is no similarity between goods, there can be no likelihood of confusion. The section 5(2) opposition, therefore, fails in relation to *Hand carts*.

73. Direct confusion occurs where marks are mistaken for one another, flowing from the principle that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them which has been retained in the mind. The average consumer's level of attention and the overall differences between the marks, even for identical goods, mean that the differences will be recalled. The marks will not be mistaken for one another, or directly confused.

74. However, the marks will be indirectly confused. Indirect confusion was explained by Mr Iain Purvis QC, sitting as the Appointed Person, in *Back Beat Inc v L.A. Sugar (UK) Limited*, BL O/375/10:

“16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later

mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: *“The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark”*.

17. Instances where one may expect the average consumer to reach such a conclusion tend to fall into one or more of three categories:

(a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using it in a trade mark at all. This may apply even where the other elements of the later mark are quite distinctive in their own right (“26 RED TESCO” would no doubt be such a case).

(b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or brand extension (terms such as “LITE”, “EXPRESS”, “WORLDWIDE”, “MINI” etc.).

(c) where the earlier mark comprises a number of elements, and a change of one element appears entirely logical and consistent with a brand extension (“FAT FACE” to “BRAT FACE” for example).”

75. That the three categories in that case are non-exhaustive was confirmed by the Court of Appeal in *Liverpool Gin Distillery and others v Sazerac Brands, LLC and others*.²²

76. In *Whyte and Mackay Ltd v Origin Wine UK Ltd and Another* [2015] EWHC 1271 (Ch), Arnold J. (as he then was) considered the impact of the CJEU’s judgment in

²² [2021] EWCA Civ 1207

Bimbo, Case C-591/12P, on the court's earlier judgment in *Medion v Thomson*. The judge said:

“18 The judgment in *Bimbo* confirms that the principle established in *Medion v Thomson* is not confined to the situation where the composite trade mark for which registration is sought contains an element which is identical to an earlier trade mark, but extends to the situation where the composite mark contains an element which is similar to the earlier mark. More importantly for present purposes, it also confirms three other points.

19 The first is that the assessment of likelihood of confusion must be made by considering and comparing the respective marks — visually, aurally and conceptually — as a whole. In *Medion v Thomson* and subsequent case law, the Court of Justice has recognised that there are situations in which the average consumer, while perceiving a composite mark as a whole, will also perceive that it consists of two (or more) signs one (or more) of which has a distinctive significance which is independent of the significance of the whole, and thus may be confused as a result of the identity or similarity of that sign to the earlier mark.

20 The second point is that this principle can only apply in circumstances where the average consumer would perceive the relevant part of the composite mark to have distinctive significance independently of the whole. It does not apply where the average consumer would perceive the composite mark as a unit having a different meaning to the meanings of the separate components. That includes the situation where the meaning of one of the components is qualified by another component, as with a surname and a first name (e.g. BECKER and BARBARA BECKER).

21 The third point is that, even where an element of the composite mark which is identical or similar to the earlier trade mark has an independent distinctive role, it does not automatically follow that there is a likelihood of confusion. It remains necessary for the competent authority to carry out a global assessment taking into account all relevant factors.”

77. The applicant submits that BMW is a famous brand. BMW and Motorrad do not create a unit which has its own meaning: each component retains its separate, independent distinctive character within the mark. Even without the applicant's concession regarding BMW, I would have found the same because this is the way in which the average consumer would perceive the mark, with or without a reputation. BMW looks like a house mark. MOTORAD in the applicant's marks has an independently distinctive role and is very similar to Motorrad, the only difference being the single 'r' as opposed to a double 'r' in the middle of the components.²³ That is a difference so small that it is highly prone to imperfect recollection. The common component is highly distinctive. This is important because, as observed by Arnold J. in *Whyte and Mackay Ltd*, if the only similarity between marks arises from an element which has low distinctiveness, that points away from a likelihood of confusion.²⁴ The opposite applies in the present case because the common element is of high distinctiveness.

78. The average consumer will interpret the marks as a house mark and a sub-brand or product variation because of the independent distinctive significance of the common elements: these are the dominant elements in the applicant's marks and play an independently distinctive role in the earlier mark. The various elements of all the marks are unconnected. The identical common elements are highly distinctive and do not have a meaning; therefore, there are no different concepts pulling away from confusion. The common elements are highly similar visually and aurally identical. There is a likelihood of confusion even for those paying a high level of attention to the purchasing process. I find that there is a likelihood of confusion for all the goods which I have found to be identical and similar, at whatever level. For completeness, I would have found the same even if there had been no finding that the earlier mark has an enhanced level of distinctive character (i.e. based only upon the inherent distinctiveness of the earlier mark).

²³ Also see *Aveda Corporation v Dabur India Limited* [2013] EWHC 589 (Ch), Arnold J.

²⁴ At paragraph 44 of the judgment.

Section 5(2)(b) outcome

79. The section 5(2)(b) ground of opposition succeeds in relation to:

Pumps for bicycles, cycles; Self-balancing two-wheeled electric scooters; Tires for bicycles, cycles; Automobiles; Bicycle stands [kickstands]; Electric bicycles; Self-propelled electric vehicle; Cycles; Carrier tricycles; Two-wheeled motor vehicles; Balance bicycles [vehicles]; Axles for vehicles; Interior trim for automobiles; Mudguards for bicycles; Electric cars; Parts and fittings for vehicles; Inner tubes for bicycle tyres.

80. The section 5(2)(b) ground fails in relation to:

Hand carts.

Section 5(3) of the Act

81. Section 5(3) states:

“(3) A trade mark which-

is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark”.

(3A) Subsection (3) applies irrespective of whether the goods and services for which the trade mark is to be registered are identical with, similar to or not similar to those for which the earlier trade mark is protected.”

82. The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, Case 252/07, *Intel*, Case C-408/01, *Adidas-Salomon*, Case C-487/07, *L’Oreal v Bellure* and Case C-323/09, *Marks and Spencer v Interflora*

and Case C-383/12 P, *Environmental Manufacturing LLP v OHIM*. The law appears to be as follows.

(a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors*, paragraph 24.

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public; *General Motors*, paragraph 26.

(c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Saloman*, paragraph 29 and *Intel*, paragraph 63.

(d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark's reputation and distinctiveness; *Intel*, paragraph 42.

(e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future; *Intel*, paragraph 68; whether this is the case must also be assessed globally, taking account of all relevant factors; *Intel*, paragraph 79.

(f) the more immediately and strongly the earlier mark is brought to mind by the later mark, the greater the likelihood that use of the latter will take unfair advantage of, or will be detrimental to, the distinctive character or the repute of the earlier mark; *L'Oreal v Bellure NV*, paragraph 44.

(g) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a

change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious risk that this will happen in future; *Intel*, paragraphs 76 and 77 and *Environmental Manufacturing*, paragraph 34.

(h) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; *Intel*, paragraph 74.

(i) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact of the earlier mark; *L'Oreal v Bellure NV*, paragraph 40. The stronger the reputation of the earlier mark, the easier it will be to prove that detriment has been caused to it; *L'Oreal v Bellure NV*, paragraph 44.

(j) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks and Spencer v Interflora*, paragraph 74 and the court's answer to question 1 in *L'Oreal v Bellure*).

83. For a successful claim under section 5(3), cumulative conditions must be satisfied by the opponent: similarity between the marks; a qualifying reputation in the earlier mark; a link between the marks (the earlier mark will be brought to mind on seeing the later marks); and one (or more) of the claimed types of damage. It is not necessary

that the goods be similar, although the relative distance between them is one of the factors which must be assessed in deciding whether the relevant public will make a link between the marks.

84. The first condition of similarity between the marks is satisfied, as found earlier in this decision.

85. The next condition is reputation. Reliance upon this ground requires evidence of a reputation amongst a significant part of the relevant public, as stated in *General Motors*:

“25. It cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trade mark must be known by a given percentage of the public so defined.

26. The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.

27. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it.

28. Territorially, the condition is fulfilled when, in the terms of Article 5(2) of the Directive, the trade mark has a reputation ‘in the Member State’. In the absence of any definition of the Community provision in this respect, a trade mark cannot be required to have a reputation ‘throughout’ the territory of the Member State. It is sufficient for it to exist in a substantial part of it.”

86. Consistently with what I said earlier about the large segment of the market enjoyed by the mark and the exposure via high-profile motorcycling events and publications, I find that the opponent’s mark had a strong reputation in the UK in relation to motorcycles at the relevant date.

87. As noted in the caselaw summary above, my assessment of whether the public will make the required mental 'link' between the marks must take account of all relevant factors. The factors identified in *Intel* are:

- The degree of similarity between the conflicting marks
- The nature of the goods or services for which the conflicting marks are registered, or proposed to be registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public
- The strength of the earlier mark's reputation
- The degree of the earlier mark's distinctive character, whether inherent or acquired through use
- Whether there is a likelihood of confusion

88. Given my findings that there is a likelihood of confusion in relation to some of the contested goods when compared with motorcycles, it follows that there is a link between the marks in the minds of the relevant public for those goods. One of the claims made by the opponent is that the relevant public will believe that the applicant's goods come from the opponent or an undertaking linked to the opponent, leading to unfair advantage. The likelihood of confusion means that unfair advantage will be automatic because sales will be achieved under the contested mark as a result of the confusion with the earlier mark.

89. I made findings about the likelihood of confusion in relation to both motorcycles and scooters. However, I find that the earlier mark has a reputation only for motorcycles, which means I must determine whether there is a link for the goods which I said were dissimilar and for those which were only similar to scooters. The goods to be considered are:

Hand carts; Self-balancing two-wheeled electric scooters; Balance bicycles [vehicles].

90. These are all wheeled goods for transportation, whether for people or goods. The common component between the marks has an independently distinctive role, is the dominant component in the later marks, and is highly distinctive, inherently and through use. The earlier mark's share of the market is substantial and widespread throughout the UK. In the *Triumph* case referred to earlier, the GC stated that "the relevant consumer does not differ, in so far as the public at large buys bicycles as well as motorcycles." I find that the later marks will call to mind the earlier mark, which constitutes a link.

91. If I am wrong about my conclusions as to similarity and identity of the other goods and the consequential finding of a likelihood of confusion, I would nevertheless find a link between the marks in relation to those goods for the same reasons: it is settled case law that the level of similarity required for the "link" is lower than that required for a likelihood of confusion.²⁵

92. The opponent claims that the contested applications will 'ride on the coat tails' of the earlier mark, unfairly benefitting from its repute. The opponent also claims that use of the contested applications will erode the distinctiveness of the earlier mark. The notice of opposition does not identify the basis of a detriment to repute claim. Box Q4 has been filled in for the unfair advantage claim and box Q5 has been filled in, but the text inserted all relates to detriment to distinctive character (which would normally be placed in box Q6, which is blank). I note that there is a reference to detriment to repute in box Q3, but this relates to whether there is a belief that there is an economic connection. Consequently, I do not consider that there is a properly pleaded basis for a claim to detriment to repute outside of confusion. The opponent has filed submissions, along with its evidence, which address detriment to repute, despite this not being properly pleaded. The submissions are centred on an argument as to the applicant's goods being of lower or different quality to those of the opponent. If this had been properly pleaded, I would still not be inclined to find detriment to the repute of the earlier mark on a speculative basis that the goods of the contested mark could

²⁵ *Intra-Press SAS v OHIM*, joined cases C-581/13P & C-582/13P, EU:C:2014:2387.

be of a poorer quality than those of the opponent, when there is no evidence of the same.²⁶

93. Detriment to distinctive character is damage done to the earlier mark which means that the relevant public is less likely to buy the goods of the earlier mark because its distinctive character is eroded. Unfair advantage is different. It has no effect on the consumers of the earlier mark's goods. Instead, the taking of unfair advantage of the distinctive character or reputation of the earlier mark means that consumers are more likely to buy the goods of the later marks than they would otherwise have been if they had not been reminded of the earlier mark. Essentially, the later marks will get a marketing or commercial 'leg-up' because the link with the earlier, reputed, mark means that the owner of the later marks does not have to put as much effort into making the later marks known because they already feel familiar or send a message to consumers as to what they can expect.²⁷ Such a finding can be made if that is the objective effect of the later marks, even if there is no proof that the applicant intended to take unfair advantage of the earlier mark's reputation.²⁸

94. In relation to *Hand carts; Self-balancing two-wheeled electric scooters; Balance bicycles [vehicles]*, I find that the claim to unfair advantage succeeds. These are all vehicles, and two of them are self-evidently two-wheeled vehicles, benefitting from the attractiveness of the earlier mark and its strong position in the marketplace for another type of vehicle/two-wheeled vehicle, motorcycles. The earlier mark is highly distinctive and has a reputation for racing, as well as being a market leader. This image, of quality and popularity amongst the racing fraternity, together with the instant familiarity and the longevity of reputation and consistent popularity of the earlier mark over decades of use, will make the applicant's goods easier for it to market and sell, using the reputation of the earlier mark. That is unfair. It is inherently probable, taking into account normal practice in the sector for vehicles, that consumers will be more inclined to purchase the applicant's goods because of the association with the opponent's mark

²⁶ *Champagne Louis Roederer v J Garcia Carrion S.A. & Others* [2015] EWHC 2760 (Ch) and *Unite The Union v The Unite Group Plc*, Case BL O/219/13, Ms Anna Carboni, sitting as the Appointed Person.

²⁷ *L'Oreal v Bellure and Delta Air Lines, Inc v Marriot Worldwide Corporation* [2023] EWHC 283 (Ch).

²⁸ *Jack Wills Limited v House of Fraser (Stores) Limited* [2014] EWHC 110 (Ch) and *Monster Energy Company v Red Bull GmbH* [2022] EWHC 2155 (Ch).

than would otherwise have been the case.²⁹ For completeness, if I am wrong about my finding of unfair advantage based upon a likelihood of confusion, I would still have found a link leading to unfair advantage on the basis explained in this and the preceding paragraph.

95. As set out in *Intel*, detriment to the distinctive character of an earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark because the earlier mark no longer arouses immediate association with the opponent's goods or services (*L'Oreal v Bellure NV*, paragraph 39). Any finding in favour of the opponent must not be the result of mere suppositions. Whilst the opponent does not have to provide evidence of actual detriment, there must be a serious risk of such detriment arising from logical deduction. In *Environmental Manufacturing LLP v OHIM*, the CJEU's requirement for evidence of a change in the economic behaviour of consumers in dilution cases was predicated on there being no likelihood of confusion.

96. In *Citibank N.A. and anor v Huntsworth plc*, the Registrar's hearing officer, Mr Allan James, observed (in a case about financial services, footnote omitted):³⁰

"159. Use of a mark that causes consumers to wonder whether the provider of the services in question might be economically connected to an undertaking that is well known to provide financial services under a similar mark appears to me to present a likelihood of dilution. This is not the same as a likelihood of confusion because being caused to wonder whether there might be an economic connection does not mean that consumers will positively believe that there is such a connection. Whether or not consumers later realise that there is no connection between the users of the marks, the initial doubt means that the senior mark's continued ability to create an immediate association with services from a specific commercial origin is likely to be loosened and weakened. Over a period of time such uses are likely to erode the distinctive character of the senior mark. That is likely to affect the functions of the senior mark, including

²⁹ *Monster Energy Company v Red Bull GmbH*, supra.

³⁰ BL O/066/13.

the origin and advertising functions, which enable it to attract and retain customers. This is seriously likely to result in an eventual change in the economic behaviour of the opponents' customers and potential customers, i.e. with less distinctive brands the opponents' financial services will stand out less from the crowd and consumers will therefore be less likely to select those financial services compared to those of the opponents' competitors".

97. For all the applicant's goods, apart from *handcarts*, I find that the opponent's customers will wonder if there might be an economic connection between the parties' marks. This will create at least an initial doubt, weakening the hitherto immediate association of the earlier mark with the opponents' goods and services. Such a weakening will lead to the opponent's mark standing out less from its competitors, and its customers will be less likely to choose the opponent's goods and services than those of its competitors. The opponent's customers will be less likely to purchase its motorcycles because the earlier mark's power of attraction and its ability to arouse immediate association with the goods will be damaged.³¹

98. The power of attraction will also be diluted by use of the later marks in relation to *handcarts*; these are not the sort of goods which have hitherto been associated with the opponent and they are rather humdrum, low-velocity wheeled goods. I am reminded of the Opinion of the Advocate General in *Intel*, at paragraph 37:

"... for instance, if you allow Rolls Royce restaurants and Rolls Royce cafeterias, and Rolls Royce pants, and Rolls Royce candy, in 10 years you will not have the Rolls Royce mark any more'.³²

99. In *Champagne Louis Roederer v J Garcia Carrion S.A. & Others*, Mrs Justice Rose stated, at paragraph 102:

"The allure and prestige of the CRISTAL mark as a high quality and exclusive brand – and hence its advertising and investment function – depend not only

³¹ See also *Intel Corporation Inc v Sihra* [2003] RPC 44.

³² The Advocate General was quoting Frank I. Schechter, Hearings before the Congressional Committee on Patents, 72nd Congress, 1st Session 15 (1932): footnote 15 of the Opinion.

on the continued use and promotion of the brand by Roederer but on the absence of other associations of the word CRISTAL with other lower quality and mundane products.”

Section 5(3) outcome

100. The section 5(3) ground of opposition succeeds in relation to all the goods of the applications.

Section 5(4)(a)

101. Section 5(4)(a) states:

“(4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented-

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, 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.”

102. 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.”

103. The three elements which the opponent must show are well known. 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).”

104. The concept of goodwill was explained in *Inland Revenue Commissioners v Muller & Co’s Margerine Ltd* [1901] AC 217 at 223:

“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.”

105. As this is a case where the contested marks are unused (at least, there is no evidence that they have been used), it is the date on which the contested applications were made (23 March 2022) which is the relevant date for the purposes of section 5(4)(a) of the Act.³³ The opponent must show that it had sufficient goodwill at that date

³³ *Advanced Perimeter Systems Limited v Multisys Computers Limited* [2012] R.P.C. 14, Mr Daniel Alexander KC, sitting as the Appointed Person.

to bring the claim. I find that it has shown evidence of a goodwill in relation to a motorcycles and scooters (less evidence can be sufficient for such a finding than is the case for a reputation under sections 5(2)(b) and 5(3)). The sign BMW Motorrad is distinctive of that goodwill.

106. Although the average consumer test is not strictly the same as the 'substantial number' test, in the light of the Court of Appeal's judgment in *Comic Enterprises Ltd v Twentieth Century Fox Film Corporation* [2016] EWCA Civ 41, it seems doubtful whether the difference between the legal tests will (all other factors being equal) produce different outcomes. This is because they are both normative tests intended to exclude the particularly careless or careful, rather than quantitative assessments. In *Neutrogena Corporation and Another v Golden Limited and Another* [1996] RPC 473, Morritt LJ 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]".

107. I find that a substantial number of the opponent's actual and potential customers would believe that the opponent had expanded its business, for instance a collaboration or subsidiary company, to the goods for which I found a likelihood of confusion.

108. This is misrepresentation. However, there would be no misrepresentation or deception in relation to *hand carts*, which seem unlikely products in which to expand or collaborate, notwithstanding that they are wheeled for transportation.

109. In *Ewing v Buttercup Margarine Company, Limited*, [1917] 2 Ch. 1 (COA), Warrington L.J. stated that:

“To induce the belief that my business is a branch of another man's business may do that other man damage in various ways. The quality of goods I sell, the kind of business I do, the credit or otherwise which I enjoy are all things which may injure the other man who is assumed wrongly to be associated with me.”

110. In *W.S. Foster & Son Limited v. Brooks Brothers UK Limited*, Mr Iain Purvis QC, sitting as a deputy judge of the Patents County Court observed:³⁴

“Although proof of damage is an essential requirement of passing off cases, it will generally be presumed where a misrepresentation leading to a likelihood of deception has been established, since such deception will be likely to lead to loss of sales and/or more general damage to the exclusivity of the Claimant's unregistered mark.”

111. The facts which I have considered above lead me to conclude that use of the applications would lead to damage, such as diversion of trade and/or injurious association. I find that the opponent was entitled to restrain the use of the contested applications under the law of passing off, at the relevant date, except in relation to *handcarts*. This means that, apart from *handcarts*, the oppositions succeed under section 5(4)(a) of the Act.

Overall outcome

112. The oppositions are successful. The applications are refused.

Costs

113. The opponent has been successful and is entitled to a contribution towards its costs. Awards of costs are made on the basis of the scale set out in Tribunal Practice Notice 2/2016. Taking into account the economies of consolidation and the repetitious nature of the pleadings, I award costs to the opponent as follows:

³⁴ [2013] EWPC 18.

Official fee for filing the oppositions x 2	£400
Preparing and filing the notices of opposition and considering the counterstatements x 2	£400
Filing evidence and submissions	£800
Total	£1600

114. I order Li Li to pay to Bayerische Motoren Werke Aktiengesellschaft the sum of **£1600**. This sum is to be paid within twenty-one days of the expiry of the appeal period or within twenty-one days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 23rd day of January 2024

Judi Pike
For the Registrar