

O/0787/26

TRADE MARKS ACT 1994

CONSOLIDATED PROCEEDINGS

IN THE MATTER OF APPLICATION FOR

TRADE MARK NO UK00003646684

IN CLASSES 12 AND 42

BY THORNLEY KELHAM LTD

AND OPPOSITION THERETO UNDER NUMBER 429982

BY MERCEDES-BENZ GROUP AG

AND

IN THE MATTER OF TRADE MARK REGISTRATIONS

UK00002284415 AND UK00900486423

IN THE NAME OF MERCEDES-BENZ GROUP AG

AND RESPECTIVE APPLICATIONS 505060 AND 505745

BY THORNLEY KELHAM LTD

TO REVOKE THE AFORESAID REGISTRATIONS

Background and Pleadings

1. This decision concerns three consolidated cases: one opposition (429982) and two applications for revocation (505060 and 505745).

2. The opposition action (429982)

On 25 May 2021, Thornley Kelham Ltd ('TKL') filed an application to register the following trade mark ('the Contested Application'):

EuropeanSL

3. The application was published for opposition purposes in the Trade Marks Journal on 8 October 2021. Registration is sought for the following goods and services:

Class 12:
<i>Cars; Platform cars; Motor cars; Sports cars; Motor car seats; Motor car windows; Touring cars.</i>
Class 42:
<i>Design of cars</i>

4. On 7 January 2022, the application was opposed by Mercedes-Benz Group AG ('MBG') pursuant to sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act ('the Act'). Each of the grounds pleaded is directed against the application in its entirety.
5. For the claims pursuant to sections 5(2)(b) and 5(3), MBG seeks to rely upon the following registration ('the 415 Mark'), in its entirety:

UK00002284415

SL

Filing date: 31 October 2001

Date of entry in register: 15 November 2002

Registered in respect of the sole term, *Motor vehicles*, in Class 12.

6. The section 5(2)(b) claim

MBG has provided the following narrative in relation to its pleading for the section 5(2)(b) ground:

'[...] The sign of application includes the sign SL and the descriptive term European. The specification of the application is for identical and similar goods and similar services for [sic] the goods for which the Opponent enjoys protection. There is therefore a likelihood of confusion'.¹

7. MBG claims to have used the 415 Mark for the five-year period ending on the filing date of the Contested Application, for all of its registered goods.

8. The section 5(3) claim

MBG states that it has used the 415 Mark since 1954 in respect of motor vehicles and that it enjoys a reputation in the name 'SL'. MBG has not specified what type of damage has resulted/is likely to result from use of the Contested Application. A section 5(3) pleading entails a claim that use of the Contested Application would take unfair advantage of, or be detrimental to, the distinctive character or reputation of the earlier trade mark.

9. The section 5(4)(a) claim

For the section 5(4)(a) ground, MBG seeks to rely upon its unregistered rights in the following sign:

SL

10. MBG claims to have 'used the SL sign since 1954 on an extensive scale in the UK' and that it 'has acquired a valuable goodwill in the name'.² It further states:

¹ MBG's Notice of opposition and statement of grounds ('Form TM7'), Section A, Q5.

² MBG's Form TM7, Section C, Q4.

‘The sign of the application is a misrepresentation in that it deceptively resembles the sign in which the Opponent enjoys goodwill. This will lead customers or prospective customers to believe that there is a connection in the course of trade, which will damage the goodwill of [MBG] and so amounts to passing off’.³

11. TKL filed a Defence and Counterclaim in which:

- For the section 5(2)(b) ground:
it is denied that the marks are similar;
it is denied that TKL’s class 42 services are similar to MBG’s class 12 goods;
it is accepted that TKL’s class 12 goods are similar to MBG’s class 12 goods, but it is denied that the similarity is sufficient to give rise to a likelihood of confusion
and
MBG is put to proof in respect of its claim that there has been genuine use of the 415 Mark in respect of the entire registered specification.
- The sections 5(3) and 5(4)(a) grounds are denied in their entirety, and MBG is put to proof in respect of all aspects of its claims.

Revocation action 505060

On 28 June 2022, TKL applied to revoke MBG’s 415 Mark in accordance with sections 46(1)(a) and 46(1)(b) of the Act. The revocation action was filed with notice, with a revocation notification date of 29 March 2022. Revocation is sought in respect of the entire registered specification.⁴ TKL alleges that MBG has not used the 415 Mark in the United Kingdom within the following five-year periods:

Section 46(1)(a)

³ MBG’s Form TM7, Section C, Q4.

⁴ The specification has already been set out at paragraph [5] of this decision because the 415 Mark is the earlier mark in the related opposition OP429982.

(i) following the date of completion of the registration process, i.e. i. 16 November 2002 – 15 November 2007 ('the 415 First Relevant Period'). The earliest possible revocation date is 16 November 2007.

Section 46(1)(b)

(ii) 28 June 2017 – 27 June 2022 ('the 415 Second Relevant Period'). The earliest possible revocation date is 28 June 2022.

(iii) 16 November 2007 – 15 November 2012 ('the 415 Third Relevant Period'). The earliest possible revocation date is 16 November 2012.

(iv) 16 November 2012 – 15 November 2017 ('the 415 Fourth Relevant Period'). The earliest possible revocation date is 16 November 2017.

Essentially, it is alleged that MBG has not used the 415 Mark at all since its registration.

Revocation action 505745

On 20 January 2023, TKL applied to revoke the following registration in MBG's name ('the 423 Mark') pursuant to sections 46(1)(a) and 46(1)(b) of the Act:

UK00900486423⁵

SL

Filing date: 5 March 1997

Date of entry in register: 23 July 2001

This registration claims a priority date of 19 September 1996 based on German registration 396 40 939.3 (applicable to the whole of the 423 registration).

⁵ This mark is a comparable mark pursuant to Article 54 of the Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community ('the Withdrawal Agreement'), based on an EUTM which was registered prior to the withdrawal of the UK from the European Union.

Registered for the following goods and services, which revocation sought for all terms:

Class 3: <i>Cosmetics, eau de toilette, shaving lotions and foams, hair lotions, perfumery, essential oils, soaps, air freshening sprays, dentifrices, nail polish, nail care preparations, lipsticks, eyebrow pencils, mascara.</i>
Class 9: <i>Spectacles, spectacle frames, spectacle cases, directional compasses.</i>
Class 12: <i>Automobiles and parts therefor.</i>
Class 14: <i>Clocks and watches and accessories therefor; key rings.</i>
Class 16: <i>Newspapers, periodicals, pamphlets, books, goods of paper and/or cardboard, namely paper towels, paper napkins, packaging containers, packaging bags, photographs, stationery, plastic materials for packaging, namely sleeves, bags, films.</i>
Class 18: <i>Leather and imitations of leather and goods made of these materials, namely handbags, briefcases, small goods of leather, in particular purses, pocket wallets, key wallets; trunks and travelling bags; umbrellas, parasols, walking sticks.</i>
Class 25: <i>Clothing, footwear, headgear.</i>
Class 27: <i>Carpets, door mats.</i>
Class 36: <i>Hire-purchase financing of automobiles.</i>
Class 37: <i>Motor vehicle care, maintenance, servicing, repair, cleaning</i>
Class 39: <i>Transport of persons and goods; car rental.</i>

Class 41:

Driving safety training; organisation of sports competitions.

12. The revocation action was filed with notice, with a revocation notification date of 20 October 2022. TKL alleges that MBG has not used the 423 Mark in the United Kingdom within the following five-year periods:

Section 46(1)(a)

(i) following the date of completion of the registration process, i.e. 24 July 2001 – 23 July 2006 ('the 423 First Relevant Period'). The earliest possible revocation date is 24 July 2006.

Section 46(1)(b)

(ii) 20 January 2018 – 19 January 2023 ('the 423 Second Relevant Period'). The earliest possible revocation date is 20 January 2023

(iii) 24 July 2006 – 23 July 2011 ('the 423 Third Relevant Period'). The earliest possible revocation date is 24 July 2011.

13. MBG filed Defences and Counterstatements to the respective revocation actions. MBG's pleading is the same for each: i.e. the 415 and 423 Marks were first used in 1954 and have continued to be used for motor vehicles and their parts. Concessions have subsequently been made by MBG, which are addressed at [38].

14. MBG is represented by Jensen & Son. TKL is represented by Forresters IP LLP. Only MBG filed evidence. A hearing was requested by MBG.

EVIDENCE

15. MBG's evidence comes from Sandra Mangold, 'Trade Mark Counsel at Mercedes-Benz Intellectual Property Management GmbH & Co. KG, which is the Intellectual Property company of [MBG]'.⁶ Ms Mangold's Witness Statement is dated 10 March

⁶ Witness Statement of S. Mangold, [1].

2023 and is accompanied by thirteen exhibits: SJ1 – SJ13. I confirm that I have read all of the evidence, to which I will refer to the extent that it is relevant.

THE HEARING

16. Mr David Moore, of Jenson & Son, attended for MBG, and filed a Skeleton Argument in advance. TKL elected not to attend the hearing, nor did it file written submissions in lieu thereof.

17. The following decision has been made after careful consideration of the case papers and oral submissions.

RELEVANCE OF EU LAW

18. The provisions of the Act relied upon in these proceedings are assimilated law, as they are derived from EU law. Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 (as amended by Schedule 2 of the Retained EU Law (Revocation and Reform) Act 2023) requires tribunals applying assimilated law to follow assimilated EU case law. That is why this decision refers to decisions of the EU courts which predate the UK's withdrawal from the EU.

DECISION

My general approach

19. Given that the matter is a consolidation of three sets of proceedings, it is helpful to set out an explanation of my approach and the considerations underpinning it.

20. The 415 Mark is sought to be relied upon by MBG in the opposition action against TKL, for its claims pursuant to sections 5(2)(b) and 5(3) of the Act. The 415 Mark is itself subject to attack by way of revocation action 505060.

21. In addition, TKL is attacking MBG's 423 Mark by way of revocation action 505745. Whilst the 415 and 423 Marks are distinct registrations, the marks themselves are

visually identical. It follows, therefore, that when assessing the evidence for proof of use, any instances of either the 415 or 423 Mark in the evidence must, by necessity, substantiate use of the other.

The opposition: earlier mark

22. In accordance with section 6 of the Act, the 415 Mark is an earlier mark by virtue of its filing date, which preceded the filing date of the Contested Application.

Proof of use requirements for opposition proceedings

23. Section 6A of the Act provides that, where the date on which the registration procedure of an earlier mark was completed more than 5 years prior to the application/designation date (or priority date) of the applied-for mark, an opponent may be required to prove use of the earlier mark. In the instant consolidated proceedings, the 415 Mark was registered for more than five years before the Contested Application was filed. Section 6A of the Act is, therefore, engaged; and TKL requested that MBG prove use of its 415 Mark.

Impact of revocation action 505060 on the related opposition

24. The outcome of this revocation action will determine whether, and, if so, to what extent, the 415 Mark can be relied upon for the sections 5(2)(b) and 5(3) grounds of the related opposition. For clarity, I set out the consequences of the possible outcomes of the revocation action on the related opposition in the following table:

Revocation date:	To the extent that the 415 Mark is revoked, the impact on its 'earlier mark' status for the related opposition:
16 November 2007	} Ceases to be an earlier mark.
16 November 2012	
16 November 2017	
28 June 2022	Remains an earlier mark.

25. As to the section 5(4)(a) ground of the opposition, the revocation of MBG's registration has no bearing on its ability to rely upon its unregistered rights in the sign 'SL'.

26. In the event that the 415 Mark is revoked in its entirety from any of the three earliest possible revocation dates, then it ceases to qualify as an earlier mark. Consequently, the 415 Mark could not be relied upon, to any extent, for the sections 5(2)(b) and 5(3) grounds of the opposition. It is, therefore, necessary to determine revocation action 505060 before considering the opposition. Further, given that the 423 Mark being attacked by way of revocation 505745 is visually identical to the 415 Mark, it is appropriate to determine the two revocation actions concurrently.

The Revocations: 505060 and 505745

The relevant legislation

27. Section 46 of the Act states:

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

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

(b) that such use has been suspended for an uninterrupted period of five years, and there are no proper reasons for non-use;

(c) [...]

(d) [...]

(2) For the purpose of subsection (1) 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 use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

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

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

(4) [...]

(5) Where grounds for revocation exist in respect of only some of the goods or services for which the trade mark is registered, revocation shall relate to those goods or services only.

(6) Where the registration of a trade mark is revoked to any extent, the rights of the proprietor shall be deemed to have ceased to that extent as from-

(a) the date of the application for revocation, or

(b) if the registrar or court is satisfied that the grounds for revocation existed at an earlier date, that date.'

28. Given that the 423 Mark is a comparable mark, the following provisions of Schedule 2A, Part 1 of The Trade Marks (Amendment etc.) (EU Exit) Regulations 2019 are relevant:

‘8.—(1) Sections 11A and 46 apply in relation to a comparable trade mark (EU), subject to the modifications set out below.

(2) Where the period of five years referred to in sections 11A(3)(a) and 46(1)(a) or (b) (the “five-year period”) has expired before IP completion day—

(a) the references in sections 11A(3) and (insofar as they relate to use of a trade mark) 46 to a trade mark are to be treated as references to the corresponding EUTM; and

(b) the references in sections 11A and 46 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 sections 11A(3) and (insofar as they relate to use of a trade mark) 46 to a trade mark, are to be treated as references to the corresponding EUTM ; and

(b) the references in sections 11A and 46 to the United Kingdom include the European Union.’

29. Section 100 of the Act provides that:

‘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.’

The relevant case law

30. 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 Court of Justice of the European Union (‘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 Bundervsvereinigung 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 Marken 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].’

31. Proven use of a mark which fails to establish that ‘the commercial exploitation of the mark is real’ because the use would not be ‘viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods or services protected by the mark’ is, therefore, not genuine use.

32. When considering the matter of genuine use of a comparable EU trade mark prior to and including IP Completion Day (31 December 2020), use in the EU remains relevant.⁷ In this regard, I bear in mind the guidance laid down by the CJEU in the case of *Leno Merken BV v Hagelkruis Beheer BV*.⁸

A note on the most recent Relevant Periods and section 46(3) of the Act

33. I remind myself of the proviso at section 46(3) of the Act, according to which: should use of the contested mark commence within the three months prior to the filing of the revocation action, then such use is to be disregarded, unless preparations for the commencement began before the RP became aware of the impending action.⁹ I note that both revocation actions were filed with notice.

⁷ Kerly’s Law of Trade Marks and Trade Names, 17th Ed., [12-073].

⁸ Case C-149/11, at [36], [50] and [55].

⁹ Kerly’s Law of Trade Marks and Trade Names, 17th Ed., [12-095].

34. Revocation 50560 was lodged on the day following the end of the 415 Fourth Relevant Period: i.e. 28 June 2022, the earliest possible revocation date for the aforesaid relevant period. The revocation notification date was 28 March 2022, three months prior to the filing of the action.
35. Revocation 505745 was lodged on the day following the end of the 423 Third Relevant Period: i.e. 20 January 2023, the earliest possible revocation date for the aforesaid Relevant Period. The revocation notification date was 20 October 2022, three months prior to the filing of the action.
36. Given that the 415 and 423 Marks are visually identical, it is appropriate to take the earliest of the three-month ‘notice periods’ as the portion of time within which use of either of the marks is to be disregarded. Therefore, any use of either mark from 28 March 2022 onwards will be disregarded. Furthermore, I wish to clarify that this does not mean that all evidential material dated on or after 28 March 2022 will be disregarded – material post-dating a relevant period can nevertheless have probative value if it casts light on the state of affairs at a point in time within that relevant period.

Relevant territories

37. The relevant territories for assessing genuine use are as follows:

- i. For the portion of any Relevant Period predating IP Completion Day,¹⁰ the relevant territory for the 423 Mark is the EU (which will necessarily include the UK, then an EU Member State).
- ii. For the portion of the most recent Relevant Periods post-dating IP Completion Day (i.e. 1 January 2021 to 27 March 2022) only UK use may be taken into account.

Concessions and the scope of MBG’s defences to the revocation actions

¹⁰ 31 December 2020.

38. MBG has made the following concession in its Skeleton Argument:¹¹

‘The issues to be decided in the case are the scope of [MBG’s] two registrations and then the opposition grounds. To simplify the proceedings, [MBG] is now only seeking to defend the two registrations in Class 12 against the attacks under S.46(1)(b).’

[my emphasis added]

39. It is important to clarify that this concession is not intended as an admission of non-use for registered terms outside of Class 12, nor as an admission of non-use within the First Relevant Periods. Rather, the concession is intended as a statement that MBG no longer intends to defend the registration of the 415 and 423 Marks for the First Relevant Periods or for the terms outside Class 12. The effect of the concession is to simply narrow the scope of the defence of the revocation actions (and, by implication, the extent to which the 415 Mark may qualify as an earlier mark for the sections 5(2)(b) and 5(3) grounds of the opposition). It is important to bear in mind that the cessation of an intent to defend the 415 and 423 Marks to the extent specified at [38], is not the same as conceding that there has been no use of the aforesaid marks whatsoever.

40. MBG’s opposition claim pursuant to section 5(4)(a) of the Act is to be decided independently of the revocation actions because it has an entirely different legal basis; and entails reliance upon unregistered rights.

41. In the light of the narrowed scope of MBG’s defence, the registration of the 423 Mark is to be revoked pursuant to section 46(1)(a) of the Act, from the earliest possible revocation date (i.e. 24 July 2006) for the following terms:

Class 3:

Cosmetics, eau de toilette, shaving lotions and foams, hair lotions, perfumery, essential oils, soaps, air freshening sprays, dentifrices, nail polish, nail care preparations, lipsticks, eyebrow pencils, mascara.

Class 9:

¹¹ MBG’s Skeleton Argument, [5].

<i>Spectacles, spectacle frames, spectacle cases, directional compasses.</i>
Class 14: <i>Clocks and watches and accessories therefor; key rings.</i>
Class 16: <i>Newspapers, periodicals, pamphlets, books, goods of paper and/or cardboard, namely paper towels, paper napkins, packaging containers, packaging bags, photographs, stationery, plastic materials for packaging, namely sleeves, bags, films.</i>
Class 18: <i>Leather and imitations of leather and goods made of these materials, namely handbags, briefcases, small goods of leather, in particular purses, pocket wallets, key wallets; trunks and travelling bags; umbrellas, parasols, walking sticks.</i>
Class 25: <i>Clothing, footwear, headgear.</i>
Class 27: <i>Carpets, door mats.</i>
Class 36: <i>Hire-purchase financing of automobiles.</i>
Class 37: <i>Motor vehicle care, maintenance, servicing, repair, cleaning.</i>
Class 39: <i>Transport of persons and goods; car rental.</i>
Class 41: <i>Driving safety training; organisation of sports competitions.</i>

42. For ease of reference, the revocation actions remain 'live' as follows:

The 415 Mark:	The 423 Mark:
Class 12: <i>Motor vehicles</i>	Class 12: <i>Automobiles and parts therefor.</i>
For the 415 Second, Third and Fourth Relevant Periods	For the 423 Second and Third Relevant Periods

My approach to the revocation actions

43. My starting point will be to consider the most recent Relevant Periods 28 June 2017 – 28 March 2022 (415 Mark); and 20 January 2018 – 28 March 2022 (423 Mark).¹² Should genuine use be proven in these periods, the revocation actions would, to the extent that use has been found, be defeated. If no use is shown for all/some of MBG's goods in the most recent Relevant Periods, then I will proceed to consider the remaining, earlier, Relevant Periods in order to determine the effective dates of revocation.

MBG's evidence of use

44. Given the consolidated nature of the instant proceedings, my summary of the evidence at [45] to [68] will cover material which may be relevant to either or both the revocation actions and the grounds of opposition. I will proceed to draw on the specific aspects of the evidence that support each type of claim/ground as I consider the individual grounds pleaded.

45. Ms Mangold's narrative sets out the chronology of name changes/mergers applicable to the entity that is MBG,¹³ summarised as follows:

1882	Daimler Motorengesellschaft founded
1926	Daimler Motorengesellschaft merged with Benz & Cie to form Daimler-Benz AG
1980s	Daimler-Benz AG acquired other companies including: AEG, Messerschmitt and MTU, and formed another subsidiary called Mercedes-Benz AG to carry on the vehicle-related business
1990s	A restructure occurred in which the trade marks and goodwill transferred back to Daimler-Benz AG by way of a merger by absorption, which is provided for by German company law.

¹² These time periods take into account the proviso at section 46(3) of the Act, and follow my rationale set out at paragraphs [35] to [38] of this decision.

¹³ Witness Statement of S. Mangold, [5].

1998	Daimler-Benz AG merged with Chrysler Corporation and a new company DaimlerChrysler AG was formed by way of a merger by absorption.
2007	A de-merger of Chrysler occurred, and the company changed its name to Daimler AG.
2021	Another restructure whereby the truck and bus division was spun off into a separate company Daimler Truck AG.
1 Feb 2022	Daimler AG changed its name to Mercedes-Benz Group AG.

46. This narrative evidence of the history of MBG is intended to demonstrate that the entity now named MBG has held ownership of the 415 and 423 Marks since 1882, and that any goodwill in respect of the 'SL' sign accrues to MBG.¹⁴

47. Ms Mangold's narrative sets out the history of MBG's 'SL' car, from the 'first generation' model in 1952, to the seventh in 2021.¹⁵ It is convenient to set out the chronology in the following table:

1952	<u>First generation:</u> The entity now-named MBG introduced a car named '300 SL', as its endurance racing car for the 1952 racing season. Ms Mangold has stated that: it has won some prestigious races, inter alia, '24H Le Mans, the Eifelrennen at the Nürburgring, and the Carrera Panamericana in Mexico'; ¹⁶ that only ten examples were made; and that this model is regarded as 'one of the most important cars in the company's history'. ¹⁷
1954	A road-going version of the '300 SL' was produced, called the 'Gullwing coupé', 'the fastest road car at the time with a top speed of 163mph'. ¹⁸
1955	A smaller version of the road-going SL was made and sold under the name '190 SL', alongside the 300 SL. ¹⁹

¹⁴ Witness Statement of S. Mangold, [5].

¹⁵ As above, [6] – [12].

¹⁶ Witness Statement of S. Mangold, [6].

¹⁷ As above.

¹⁸ Witness Statement of S. Mangold, [7].

¹⁹ As above.

1957 - 1963	The road-going 300 SL was redeveloped as a convertible with a detachable hardtop, which remained in production until 1963. ²⁰
1963	<u>Second generation:</u> The '230 SL' was introduced 'with the famous pagoda roof'. ²¹ More powerful versions were introduced under the names '250 SL' and '280 SL'. ²²
1971 - 1989	<u>Third generation:</u> Another 'SL vehicle' was introduced 'with a new design language and additional safety features', remaining in production until 1989. ²³
1989 – 2002	<u>Fourth generation:</u> Another generation of the 'SL' introduced. ²⁴
2001 – 2011	<u>Fifth generation:</u> Another generation of the 'SL' introduced. ²⁵
2012 – 2020	<u>Sixth generation:</u> This generation of the 'SL' was sold in the following versions in the UK until 2020; the early cessation of production due to the global pandemic: ²⁶ SL 350: (2012-2014), 3.5 L V6 SL 400: (2014-2020), 3.0 L V6 SL 500 (2012-2020), 4.7 L V8 SL 63 AMG: (2012-2018), 5.5 L V8 SL 65 AMG: (2012-2018) 6.08 L V12
2021	<u>Seventh generation:</u> The narrative statement 'Currently only available in a performance version' ²⁷ was made on 10 March 2023.

²⁰ Witness Statement of S. Mangold, [7].

²¹ As above, [8].

²² Witness Statement of S. Mangold, [8]

²³ As above, [9].

²⁴ Witness Statement of S. Mangold, [10].

²⁵ As above.

²⁶ Witness Statement of S. Mangold, [11].

²⁷ Witness Statement of S. Mangold, [12].

48. Photographs have been provided showing the 'SL' mark on the rear of the following models, (with some models having several iterations):²⁸ the '230 SL'; the 'SL 500'; the '300 SL'; and the 'SL 63'.

The '230 SL' (first produced in 1963):



The '500 SL' (sold in the UK 2012-2020):



²⁸ Exhibit SJ2.

The '300 SL' (in production 1957 – 1963):



The 'SL 63' (sold in the UK 2012-2018):



The model details in the following photograph appear to be either 'SL 65' or 'SL 63', both of which were in production 2012-2018:



Sales Brochures aimed at the EU and/or UK markets

49. UK brochures have been provided for, respectively, the sixth and seventh generation SL.²⁹ Ms Mangold has stated that the aforesaid brochures are available from the website of MBG's UK subsidiary, whose URL is Mercedes-benz.co.uk, with hard copies available from dealers throughout the UK.³⁰ According to her narrative evidence, '[t]here are [at the time of filing her Witness Statement] 118 showrooms located around the United Kingdom'; mostly independent companies operated by dealer groups, but also a small number of showrooms operated by MBG.³¹

50. According to Ms Mangold's narrative, MBG 'maintains an extensive network of showrooms or dealers' within the UK.³² A map showing the locations and distribution of the 118 showrooms has been provided, reproduced as follows:³³

²⁹ Witness Statement of S. Mangold, [14].

³⁰ As above.

³¹ Witness Statement of S. Mangold, [15].

³² As above.

³³ Witness Statement of S. Mangold, [15]; Exhibit SJ5.



51. Mr Moore clarified that the ‘flags’ marked with the Mercedes ‘three-point star’ emblem denoted a single showroom, whereas the circled numbers marked areas where several showrooms are located. London, for example, has 27 showrooms; whereas Glasgow has 7 showrooms.

*The ‘sixth generation’ brochure.*³⁴

52. As can be seen from the timeline set out above at [49], the various iterations of the sixth generation SL were in production between 2012 and 2020. The cover page of the brochure is titled ‘The SL-Class’, and there are frequent references to ‘the

³⁴ Exhibit SJ3.

SL' throughout the document. Photographs of the SL's cockpit interior reveal that the 'SL' mark appears prominently 'embossed' on the knob of the gear selector:



The following text indicates that the brochure is targeted to EU consumers: 'This brochure is prepared by Daimler AG and it predominantly reflects the capabilities and performance of vehicles sold in Europe'. Further, I note the following contact information: 'You can reach us anywhere in Europe on the toll-free number [...]'. Several footnotes reference EU directives. The final page contains the following notice:

'Please note: changes may have been made to the product since this brochure went to press (27.01.2014).

[...]

This brochure is distributed internationally. It provides a general indication of the range of models, features, optional extras and/or colours available in your country, and their pricing, you should contact your nearest authorised Mercedes-Benz Passenger Car Dealer.'

53. I am satisfied that this brochure is pan-European in terms of its intended reach. Whilst I am unable to ascribe a particular date to this instance of the brochure, it is evidently from 2014 onwards (based on the disclaimers). The material clearly pre-dates IP Completion Day due to the featured guides for the following models (see the timeline above at [49]):

'SL 500' (in production 2012 – 2020);

'SL 400' (in production 2014 – 2020);

and

'SL 63 AMG' (in production 2012-2018).

*The 'seventh generation' brochure:*³⁵

54. As noted above at [49], the seventh generation of SL vehicles were in production from 2021. A variety of 'model lines' is featured. Ms Mangold has stated that, as at 10 March 2023, only a 'performance version' was available;³⁶ which I presume to be the version referred to in the brochure as 'AMG PERFORMANCE 4MATIC+' which appears to be a 'high performance' vehicle using state-of-the-art technology.
55. The cover of the brochure bears the title 'NEW MERCEDES-AMG SL' and the text 'Effective from December 2022 Production'. The final page includes the notice: 'Information correct at time of publication 18.10.22'. Numerous details demonstrate that the brochure is aimed at the UK market including, inter alia: the fact that prices are expressed in £GBP; the contact details for Mercedes-Benz Limited provide a UK address and 'co.uk' email address; the URL for an App "Mercedes Me Connect" includes 'en-gb'; and the 'Services and Insurance' section of the brochure notes that the aforesaid services apply to vehicles sold by MBG in the UK to its franchised agents.

Sales

56. Ms Mangold has stated that 'the SL is one of the most expensive cars on the market' and that 'they are usually bespoke orders for the customer as the cars are highly customisable'.³⁷ Figures have been provided in respect of the numbers of sixth and seventh generation SL vehicles delivered to the UK for the years 2017 to 2022.³⁸ I have extracted the following details from the original table provided by MBG:³⁹

³⁵ Exhibit SJ4.

³⁶ Witness Statement of S. Mangold, [12].

³⁷ As above, [16].

³⁸ Witness Statement of S. Mangold, [16]; Exhibit SJ6.

³⁹ The original table includes some German wording and additional rows recording nil sales for three other model numbers that have not been defined/referred to elsewhere in MBG's evidence.

Model	2017	2018	2019	2020	2021	2022	Totals:
R231*	679	478	443	99	0	0	1,699
R232**	0	0	0	0	0	226	276
Totals:	679	478	443	99	0	276	1,975

*Sixth generation SL

** Seventh generation SL

57. Mr Moore submitted that nil deliveries had been recorded for 2021 due to the global pandemic.

Pricing

58. Ms Mangold has stated that she is unable to provide exact UK turnover figures for the SL car because the cars are largely sold by independent dealers.⁴⁰ However, she has given narrative evidence on the minimum prices (i.e. without extras) listed for the sixth and seventh generation SL cars as follows:⁴¹

- The R231 sixth generation SL starts at £72,490
- The R232 seventh generation SL starts at £108,030

59. Ms Mangold states that if 'extras' are added to the basic specification, this can 'easily add 10% or more' to the price. She also points out that dealers have discretion to apply discounts. According to Ms Mangold's narrative, based on the deliveries set out in the table (at [56]), the minimum prices generate an estimate of at least £140 million. My view is that this estimate is overly conservative because it appears to be based on all 1,975 cars having the 'R231' sixth generation price of £72,490: i.e. 1,975 cars x £72,490 = £143,167,750.

60. My estimate, based on the price-points provided, is calculated as follows:

(1,699 'R231' sixth generation cars x £72,490) + (276 'R232' seventh generation cars x £108,030) = £152,976,790.

⁴⁰ Witness Statement of S. Mangold, [17].

⁴¹ As above. These prices are also detailed in the brochures themselves.

61. Mr Moore directed me to the following listing from the online version of Autocar Magazine, a UK publication whose URL is Autocar.co.uk, dated 2 January 2020:

SL 2dr open £70,345-£119,045				★★★★★	
Big, luxurious drop-top is classier than a royal stud farm. Few feel more special. LxWxH 4831x1877x1315 Kerb weight 1735kg					
3.0 V6 SL400	358	155	4.9	TBC	TBC
4.7 V8 SL500	442	155	4.3	25.9-26.9	TBC
5.5 V8 AMG SL63	568	155-188	4.1	23.2-23.5	TBC

The 'SL400', 'SL500' and 'SL63' models are listed, with the price range stated as £78,345 - £119,045.⁴² Mr Moore drew my attention to the laudatory wording 'Few feel more special'.

Promotional/marketing efforts

62. Ms Mangold has stated that the SL 'is a top of the range, aspirational vehicle' and that 'such luxury vehicles are promoted via an appearance at the major car shows such as Geneva or the IAA'.⁴³ The 'R231' version (i.e. sixth generation SL), she states, was last promoted at the Geneva show in 2019.⁴⁴ Mr Moore referred in his oral submissions to the 'Geneva show' as the 'Geneva Motor Show'. A press release from MBG, dated 20 February 2019, headed 'SL Grand Edition launches in March 2019' has been provided, announcing the launch of new 'Grand Edition' models of the 'SL400' and 'SL500'.⁴⁵ A number of the aforementioned 'Grand Edition' models, also referred to as 'the exclusive roadster', are said to 'reach the showrooms from March 2019', with customers able to place orders from 22 February 2019. Accompanying photographs show 'SL Grand Edition' on parts of the vehicle's exterior and interior:

On the wing of the car, between the door and the wheel arch:	On the driver and passenger headrests:
--	--

⁴²See table at [47] of this decision for dates of production.

⁴³ Witness Statement of S. Mangold, [18].

⁴⁴ As above.

⁴⁵ Exhibit SJ8.



63. This exhibit has been introduced in the context of Ms Mangold's reference to the Geneva show, and Mr Moore submitted orally that the launch of the 'Grand Edition' models was the subject of the aforesaid press release. I note that part of the press release document appears to have been cut off, which is likely why there is no mention of the Geneva Show on the extract exhibited. However, Mr Moore directed me to several articles from the UK 'motoring' press which, having 'followed up' MBG's press release, talk about the Geneva Show, from which I note the following:⁴⁶

- An article from Autocar.co.uk is undated, but evidently from 2019 because it anticipates the debut of the 'Grand Edition' eighth-generation SL at the 'upcoming Geneva motor show'; and announces that the 'SL Grand Edition is planned to go on sale in the UK next month'⁴⁷ The page also includes a link to a 'Read our review' feature on the 'Mercedes-Benz SL 2012-2020' with the wording 'The Mercedes SL is perhaps the most splendid, single-minded luxury convertible in the world'.⁴⁸
- An article from evo.co.uk, dated 20 February 2019, titled 'Mercedes-Benz reveals its exclusive SL Grand Edition' refers to the forthcoming SL model as 'a Grand Edition variant of the luxury roadster'. The vehicle is 'due to hit showrooms next month [...] in SL500 and SL400 forms' with a starting price

⁴⁶ Witness Statement of S. Mangold, [18].

⁴⁷ Exhibit SJ9.

⁴⁸ As above.

of around £36,000, and ‘can be ordered from 22 February’.⁴⁹ I also note the statement: ‘SL Grand Edition badging also makes an appearance throughout the car, including on the mudguards, front wings and interior’.

- An article from uk.motor1.com, dated 20 February 2019, titled ‘2020 Mercedes SL-Class Grand Edition revealed with posh upgrades’ also details the March 2019 arrival in showrooms and order books opening from 22 February 2019.

64. Exhibit SJ11 contains a selection of more press reports, from which I note the following:

- An article from evo.co.uk, published 27 February 2019 (albeit taken from the website at a later date given the presence of a link to a review of the ‘Mercedes-AMG SL55 4Matic’ from 2023) titled ‘Mercedes-AMG SL63 (R231, 2017-2020) review’ gives a 4* (out of a possible 5) review and notes the starting price of £127,400.
- An article from topgear.com, published 9 July 2016 (albeit the URL shows that the extract was taken from the website in 2023 indicating that it is still live) titled ‘Review: the 577bhp Mercedes-AMG SL63 in the UK’ notes the £114k price. The review includes the following:

‘[...] what you get with the SL is *history*. The badge is over 60 years old, and has established itself as the instrument of choice for the beautiful, affluent faces of this world. It’s also one of Merc’s most famous model nomenclatures.’

- An article from carmagazine.co.uk, dated 15 March 2021, titled ‘New 2021 Mercedes SL: the CAR lowdown’ includes the following:

⁴⁹ Exhibit SJ9.

‘The SL name has been around for decades, but 2021’s new generation promises to be the most clearly defined for a very long time.’

[...]

‘Since its birth in 1954, the SL has always been at heart a convertible built for high-speed cruising [...]

[...]

‘Inside, expect a mix of analogue and digital themes, with the cockpit dominated by a huge S-Class-derived flatscreen, as the 67-year-old SL moves into a new era...’

- An article from autocar.co.uk, dated 28 October 2021, titled ‘2022 Mercedes-AMG SL gets four seats, 4WD and 577bhp V8’ hails the aforesaid model as a ‘Porsche 911 rival’.

65. An article from The Independent newspaper, dated 23 June 2017, titled ‘used convertibles: Mercedes SL vs BMW 6 Series vs Porsche 911’ is a comparative piece on the aforesaid cars.⁵⁰ A photograph of the cockpit of the SL shows the ‘SL’ logo on the gear selector. The ‘list price when new’ is stated as £72,495 and ‘price now’ said to be £28,000.

66. A 40-page ‘press kit’ for the UK, dated 28 October 2021, has also been provided in relation to the launch of ‘The new Mercedes-AMG SL: The new edition of an icon’.⁵¹ It includes, inter alia, detailed information on: the genesis and history of the ‘SL’ vehicle and technical specification, with photographs of the vehicle. It is my understanding that a press kit is a document of information provided to the press, e.g. by a party about to launch an advertising campaign for a new product. The

⁵⁰ Exhibit SJ12.

⁵¹ Witness Statement of S. Mangold, [19]; Exhibit SJ10.

content of the press kit presents the aforesaid 'SL' vehicle as a 'production' or road-going sports car, as opposed to a 'racing car'. I note the following description:

'[...] The new Mercedes AMG-SL, the new edition of an icon, returns to its roots with a classic soft top and sport character. At the same time, the luxurious roadster as a 2+2 seater is particularly suitable for everyday use and puts its power down on the road with all-wheel drive for the first time. High-tech components such as the AMG ACTIVE RIDE CONTROL suspension with active anti-roll stabilisation, rear-axle steering, the optionally available AMG ceramic high-performance brake system and the standard-fit DIGITAL LIGHT with projection function sharpen the sporty profile.'

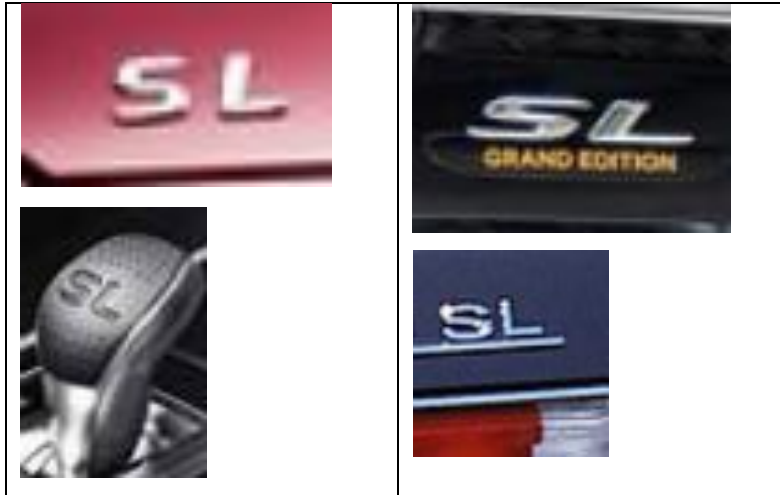
Social media

67. Examples of posts from MBG's UK Twitter account '@MercedesBenzUK' promoting, variously, the 'SL Roadster', '300 SL', and 'Mercedes-AMG SL' have been provided for the following dates: 6 May and 26 December 2018; 2 January, 20 May and 17 June 2019; 13 June, 4 July, 28 October and 31 December 2021; 30 January 2022. I note the presence of the wording 'UK spec may vary' on one of the posts. I am unable to determine how many followers the account has. The numbers of 'likes' are fairly modest (one post has 136) and none of the posts has more than 5 comments.

68. Before I proceed to make findings on genuine use, it is necessary to address the matter of variant forms.

Variant forms

69. Aside from the numerous mentions of 'SL' rendered in plain typefaces within the narrative of brochures, press articles and promotional materials, the evidence shows 'SL' appearing on the vehicles themselves in the following forms:



70. I remind myself of section 46(2) of the Act according to which '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)'.

71. The contested marks are registered as word marks. The distinctive character of each of the contested marks (which, as noted, are visually identical) reside in the pairing 'SL'. I do not consider that the difference typefaces in which the forms set out above at [69] are presented do anything to disturb that distinctive character. Furthermore, I do not consider that the presence of the wording 'Grand Edition' in the top right example adds to or subtracts from the distinctive character of the 'SL' form positioned above it. I find all four forms to be acceptable variants of the 415 and 423 Marks as registered.

Sufficient Use

72. For use to be genuine, it must have been real commercial exploitation of the mark, in the course of trade, sufficient to create or maintain a market for the services at issue.

73. In making my assessment, I am required to consider all relevant factors, including (i) the scale and frequency of the use shown; (ii) the nature of the use shown; (iii)

the services for which use has been shown; (iv) the nature of those services, and the market(s) for them; and (v) the geographical extent of the use shown. I also bear in mind the comments of the General Court (GC) in *New Yorker SHK Jeans GmbH KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (OHIM), Case T-415/09:

‘53. In order to examine whether use of an earlier mark is genuine, an overall assessment must be carried out which takes account of all the relevant factors in the particular case. Genuine use of a trade mark, it is true, cannot be proved by means of probabilities or suppositions, but has to be demonstrated by solid and objective evidence of effective and sufficient use of the trade mark on the market concerned (*COLORIS*, paragraph 24). However, it cannot be ruled out that an accumulation of items of evidence may allow the necessary facts to be established, even though each of those items of evidence, taken individually, would be insufficient to constitute proof of the accuracy of those facts (see, to that effect, judgment of the Court of Justice of 17 April 2008 in Case C-108/07, *Ferrero Deutschland v OHIM*, not published in the ECR, paragraph 36).’

Assessment of the evidence

74. In *Merck KGaA v Merck Sharp & Dohme Corp & Ors* [2017] EWCA Civ 1834, Kitchen LJ (as he then was) set out the approach to be followed when considering partial revocation of a trade mark or assessing which goods and services may be relied on under section 5(2). He said:

‘244. As I described in *Maier v Asos*, the approach to be adopted is relatively straightforward (although I readily acknowledge that it may on occasion be difficult to apply) and it is in my view consistent with the earlier decisions of the Court of Appeal to which I referred at paragraph [63]. On reflection, I think it can be expressed more clearly as follows.

245. First, it is necessary to identify the goods or services in relation to which the mark has been used during the relevant period.

246. Secondly, the goods or services for which the mark is registered must be considered. If the mark is registered for a category of goods or services which is sufficiently broad that it is possible to identify within it a number of subcategories capable of being viewed independently, use of the mark in relation to one or more of the subcategories will not constitute use of the mark in relation to all of the other categories.

247. Thirdly, it is not possible for a proprietor to use the mark in relation to all possible variations of a product or service. So care must be taken to ensure this exercise does not result in the proprietor being stripped of protection for goods or services which, though not the same as those for which use has been proved, are not in essence different from them and cannot be distinguished from them other than in an arbitrary way.

248. Fourthly, these issues are to be considered having regard to the perception of the average consumer and the purpose and intended use of the products or services in issue. Ultimately it is the task of the tribunal to arrive at a fair specification of goods or services having regard to the use which has been made of the mark.

249. This approach does strike an appropriate balance. It gives effect to the clear intention of the EU legislature that marks must actually be used or, if not used, be subject to revocation. ... It is also fair to proprietors for it does not require a proprietor to prove that he has used his mark in relation to all possible variations of the goods or services covered by its registration but only those which are sufficiently distinct to constitute coherent categories or subcategories. I am also satisfied that it gives appropriate protection to the legitimate interest of a proprietor in being able in the future to extend his range of goods or services within the scope of the terms describing the goods or services for which its mark is registered.'

75. This approach was endorsed by the Supreme Court in *SkyKick UK Ltd & Anor v Sky Ltd & Ors (Rev1)* [2024] UKSC 36:

'261. ... First, there can be no doubt that an application to register a mark in respect of a broad category of goods or services may be made *partly* in

bad faith in so far as the broad description includes distinct sub-categories of goods or services in relation to which the applicant never had any intention to use the mark, whether conditionally or otherwise. In my view, that emerges clearly from the decision of the CJEU in this case. The approach to be adopted in such a case was explored and explained by the Court of Appeal in *Merck KGaA v Merck Sharp & Dohme Corp* [2017] EWCA Civ 1834; [2018] ETMR 10, at paras 241-2491 and, so far as I am aware, that approach has proved workable and appropriate and has stood the test of time, save that it must now be seen in light of the more recent guidance given by the CJEU in, for example: *Ferrari SpA v DU* (Joined Cases C-720/18 and C-721/18) EU:C:2020:854; [2021] Bus LR 106, at paras 36-53. There the CJEU explained, at para 40, that the essential criterion to apply for the purposes of identifying a coherent subcategory of goods or services capable of being viewed independently is their purpose and intended use.'

76. In *easyGroup Limited v Easy Live (Services) Limited & Ors* [2025] EWCA Civ 946, Arnold LJ gave further consideration to the approach to identifying independent subcategories:

'82. As the Court of Justice made clear in *ACTC* and *Ferrari*, the essential criteria which must be applied in determining whether a category of goods or services can be divided into independent subcategories are purpose and intended use. It is not sufficient that different goods may be aimed at different publics or sold in different shops or that different goods or services belong to different market segments. These criteria are easier to apply to goods than to services, in particular because it is easier to distinguish between the purpose and the intended use of goods than it is to distinguish between the purpose and the intended use of services. In the case of services, it seems to me that the logic of the Court of Justice's approach means that one should consider the intended mode of use of the services in question.

77. As noted at [39], MBG has elected not to defend a number of the registered terms, and these are listed at [41]. The registered terms that *are* defended and, therefore, remain in issue are:

The 415 Mark: <i>Motor vehicles</i>	The 423 Mark: <i>Automobiles and parts therefor.</i>
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78. It is clear from the totality of evidence that cars have been sold to UK consumers, under the ‘SL’ mark, for the years 2017, 2018, 2020 and 2022. Whilst no precise sales figures (nor any invoices) have been provided, the figures showing the number of deliveries of sixth and seventh generation ‘SL’ cars to the UK, together with Ms Mangold’s narrative evidence that the cars are typically made to order, in my view, demonstrates actual sales. I accept that the global pandemic of 2020/2021 would have hampered/prevented the delivery of vehicles for those years. The pricing information within the sales brochures for the aforesaid ‘SL’ models enables an approximate cumulative sales figure of £152,976,790 to be deduced. This figure is significant; and, given that it is based on the ‘starting’ prices for vehicles that are often ordered on a bespoke basis, the precise sum generated is likely to be higher. Although the numbers of vehicles sold are not particularly great, even the minimum price-points are high. The evidence, particularly the sales brochures and press articles, indicates that SL vehicles are at the ‘high end’ of the market.

79. The sales brochures for the sixth and seventh generation ‘SL’ are clearly aimed at, inter alia, the UK market; with the latter evidently intended to have a pan-European reach. The aforesaid brochures were produced on, respectively, 27 January 2014 and 18 October 2022. The disclaimers within the brochures (e.g. ‘changes may have been made to the product since this brochure went to press’) suggest that these versions of the brochures are intended to be used to ‘cover’ future iterations of the sixth and seventh generation models as and when they develop; rather than revised versions being produced each year. This is borne out by Ms Mangold’s statement that these brochures (which I presume to mean these versions) are (at the time of MBG filing its evidence) available from the 118 showrooms throughout

the UK. Although by the time the 'seventh generation' brochure was published (i.e. 18 October 2022) revocation proceedings had commenced against the 415 Mark, this generation of SL vehicle had already commenced production (in 2021). In these circumstances, my view is that it would not be appropriate to automatically dismiss the material outright simply because it was published after MBG had notice of the revocation action against it. To my mind, it is reasonable to suppose that, if production of the seventh generation SL had commenced in 2021, some level of preparation to bring the aforesaid vehicle to market would almost certainly have been underway at the time that the revocation claim was lodged. In the light of the other evidential materials, the prospect of the brochure being produced for the purpose of tailoring MBG's defence to expediency strikes me as unlikely in this case.

80. The commentary and reviews from the UK motoring press demonstrate that 'SL' cars are considered 'high end'/luxury vehicles; and this is reflected in the high starting prices for new vehicles. The provision of information on MBG's position within the UK market with respect to its 'SL' vehicles would have been helpful; both within the market for cars in general and within the 'high end'/luxury sector of the car market at large. Without detail on the value of the UK car market and/or its 'luxury' sector, I am unable to determine MBG's position within it. Although the conservative estimate for sales revenue (noted at [60]) in respect of the sixth and seventh generation 'SL' cars delivered to the UK is, on the face of it, a significant sum of money, it can be presumed that the value of the UK car market in general is enormous.

81. Notwithstanding the absence of detail on MBG's market position, I am satisfied that MBG has made real commercial efforts to exploit the 415 and 423 Marks within the most recent Relevant Periods. The marks appear consistently on the vehicles themselves and, by extension, in the photographs of them in the sales brochures and motoring press. The 118 MBG dealerships from which the 'SL' models can be ordered/purchased are dispersed throughout the UK. The sale of 1,975 'SL' cars from 2017 to 2022 likely represents a small fraction of the total number of new cars sold within the UK over that period. However, it is my view that the bespoke nature of many of the 'SL' cars ordered, and their high price-point (with or without bespoke

extras), typify a portion of the market distinct from the more everyday ‘runaround’ that is produced at greater scale. Although no figures have been provided by way of advertising and marketing expenditure, the detailed ‘press kit’, drafted in 2021 for the UK press, to my mind, demonstrates preparation for the launch of the seventh generation of the ‘SL’ within the UK.

82. Looking at the evidence in the round, I am satisfied that the 415 and 423 Marks have been put to genuine use within the UK within the most recent Relevant Periods. Further, for the portion of the aforesaid periods preceding IP Completion Day, I consider EU use to have been substantiated. I have found the sales brochures to be evidently pan-European in their intended audience. Additionally, I note the case of *Whirlpool Corporation & Ors v Kenwood Limited* [2009] ETMR 5 (HC), in which Mr Geoffrey Hobbs QC (as he then was), sitting as a Deputy Judge of the High Court, held that the UK could be regarded as a substantial part of the EU Community.

83. I will now proceed to determine a fair specification against the registered terms, noted above at [77], according to the guidance in the *Merck* case.

The 415 Mark - registered term: *Motor vehicles*

84. It is my understanding, as an ordinary member of the general public, that ‘motor vehicles’ are typically land vehicles driven by an engine or motor. The registered term will, therefore, encompass a variety of vehicles including, inter alia: cars; lorries; vans. The goods for which use of the 415 Mark has been demonstrated are cars. I must now consider whether, and, if so, the extent to which, the term *cars* should be further divided to reflect the genuine use found in the instant case. In this regard, I bear in mind the case of *Polfarmex S.A. v EUIPO*⁵² in which the GC held that ‘racing cars’ were ‘capable of constituting a coherent subcategory’ within the term *cars*. The reasoning underpinning this distinction was that racing cars are not intended to be driven on public roads and/or carry passengers.⁵³ It is clear from

⁵² Case T-677/19.

⁵³ As above, [126].

the evidence in the instant case that the ‘SL’ vehicles for which the 415 Mark has been used in the most recent Relevant Period are intended to be driven on public roads and to carry passengers. For example, the cars are frequently referred to as ‘roadsters’, both by MBG itself and the motoring press. Furthermore, the evidence shows that the cars are available as ‘2+2’ seaters; and there are numerous references to the vehicle’s luxury interior and the fact that it is built for ‘high-speed cruising’. The evidence indicates that ‘SL’ cars are held out (and regarded by the motoring press) as ‘sports’ cars in so far as there is much emphasis on their technical specifications and ‘high performance’. On this point, I return to *Polfarmex S.A.* in which the GC acknowledged that there could be a cross-over between ‘racing cars and high-end sports cars’, to the extent that the latter might also be coveted for success on the race-track.⁵⁴ However, it clarified that this did not change the fact that ‘racing cars’ constitutes an identifiable sub-category distinct from other cars, including sports cars (which may be driven on public roads as well as the race-track). It is clear to me that the ‘SL’ cars are not ‘racing cars’. Bearing in mind the warning in *Merck* that I must take care not to strip MBG of protection for goods that, whilst not the same, do not differ in their essential function, I consider the following to be a fair a specification for MBG’s offering:

Motor vehicles, namely cars, not including racing cars.

The 423 Mark - registered term: *Automobiles and parts therefor*.

85. ‘Automobiles’:

Given that the two contested marks are visually indistinguishable, my findings on genuine use must apply equally to both. I consider ‘automobiles’ to be synonymous with *Motor vehicles*. It follows that a fair specification can be framed in the manner set out above at [84], i.e.:

Automobiles, namely cars, not including racing cars [...]

⁵⁴ Case T-677/19, [128].

86. 'and parts therefor':

Whilst the brochures feature technical information, including diagrams and photographs, for various components (e.g. engines, axles, suspension) for the 'SL' cars, there is no evidence to demonstrate the promotion or sale of these specific parts as standalone goods. Where parts/components are featured, it is in the context of the technology/functionality of the 'SL' cars. It is my view that the body of evidence provided does not support a finding of genuine use in respect of parts for automobiles (or cars). In arriving at this finding, I have considered carefully Mr Moore's argument that, by analogy with an earlier decision of this Tribunal, *BRISTOL MOTORS*⁵⁵ MBG should be permitted to retain its registrations for 'parts'. In the aforementioned earlier decision, the mark in question was visible on the parts shown in the images within brochures. However, in the instant case, where images of parts are shown within the sales brochures, the 'SL' mark cannot be seen on them (although MBG's three-point-star mark can be seen clearly on some, and 'AMG' can be seen on others). I do not consider the instant case to be on all fours with the *BRISTOL MOTORS* case. Mr Moore also directed me to another, more recent, decision of this Tribunal, decision BLO/0808/23, in which genuine use of the mark 'RS' was found in respect of motor cars as well as parts and fittings therefor.⁵⁶ However, I note that the aforesaid decision does not appear to have taken into account the case of *Merck* (cited above at [74]) which would have been the relevant authority at that time on the matter of framing a fair specification. Having looked at the *RS* decision, I am unable to determine the Hearing Officer's reasoning for finding genuine use for automobile parts in that case. Mr Moore did not offer any rationale other than submitting that the present case concerned 'similar facts of use' to the *RS* case. Whilst this may be so, I must decide the instant case on the basis of *Merck*, as the relevant authority; and, given that the *RS* case does not appear to have considered *Merck*, I do not consider it appropriate to make an analogous finding here.

⁵⁵ BLO/790/21, [35] and [37].

⁵⁶ BLO/0808/23, [35].

87. Given that MBG's evidence has failed to demonstrate use of the marks in respect of some of the registered goods within the most recent Relevant Periods, I will proceed consider whether genuine use has been demonstrated in any of the remaining, earlier, Relevant Periods for the section 46(1)(b) objection. For ease of reference, I set out the aforesaid Relevant Periods as follows:

The 415 Mark

Relevant Periods: 16 November 2012 – 15 November 2017; and
16 November 2007 – 15 November 2012.

The 423 Mark

Relevant Period: 24 July 2006 – 23 July 2011.

88. MBG's evidence is focused largely on the most recent Relevant Periods. Whilst there are items of evidence that indicate use of the contested marks in earlier Relevant Periods, there is nothing to show that the marks have been used for goods beyond those for which I have found genuine use more recently, i.e. cars (except racing cars). Given MBG's indication that it no longer intends to defend the revocation based on section 46(1)(a), the earliest applicable revocation dates will be those based on the section 46(1)(a) ground.

Outcome of revocation actions

CA505060

89. Subject to any appeal, UK00002284415:

i. may remain registered for the following (with additional wording underlined):

Class 12: <i>Motor vehicles, <u>namely cars, not including racing cars.</u></i>

ii. will be revoked, from the earliest possible revocation date, i.e. 16 November 2007, for the following terms:

Class 12: <i>Motor vehicles</i> (subject to the amendment underlined above at [90i])
--

90. Subject to any appeal, UK00900486423:

i. may remain registered for the following (with additional wording underlined):

Class 12: <i>Automobiles, <u>namely cars, not including racing cars.</u></i>
--

ii. will be revoked,

a) from the earliest possible revocation date, i.e. 24 July 2006, for the following terms:

Class 3: <i>Cosmetics, eau de toilette, shaving lotions and foams, hair lotions, perfumery, essential oils, soaps, air freshening sprays, dentifrices, nail polish, nail care preparations, lipsticks, eyebrow pencils, mascara.</i>
Class 9: <i>Spectacles, spectacle frames, spectacle cases, directional compasses.</i>
Class 12: <i>Automobiles</i> (subject to the amendment underlined above at [91i])
Class 14: <i>Clocks and watches and accessories therefor; key rings.</i>
Class 16: <i>Newspapers, periodicals, pamphlets, books, goods of paper and/or cardboard, namely paper towels, paper napkins, packaging containers, packaging bags, photographs, stationery, plastic materials for packaging, namely sleeves, bags, films.</i>
Class 18: <i>Leather and imitations of leather and goods made of these materials, namely handbags, briefcases, small goods of leather, in particular purses, pocket wallets, key wallets; trunks and travelling bags; umbrellas, parasols, walking sticks.</i>
Class 25: <i>Clothing, footwear, headgear.</i>

Class 27: <i>Carpets, door mats.</i>
Class 36: <i>Hire-purchase financing of automobiles.</i>
Class 37: <i>Motor vehicle care, maintenance, servicing, repair, cleaning.</i>
Class 39: <i>Transport of persons and goods; car rental.</i>
Class 41: <i>Driving safety training; organisation of sports competitions.</i>

Opposition claim 429982

91. Following the outcome of the revocation actions, the 415 Mark survives to qualify as an earlier mark in the related opposition in respect of the following goods:

Class 12: *Motor vehicles, namely cars, not including racing cars.*

The section 5(2)(b) ground

The relevant legislation:

92. Section 5(2)(b) of the Act reads as follows:

‘5(1) [...]

(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.'

93. I also note section 5A of the Act:

'5A 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.'

Relevant case law

94. The following standard summary of the principles applicable to the assessment of the likelihood of confusion was approved by the Supreme Court in *Iconix Luxembourg Holdings SARL v Dream Pairs Europe Inc & Anor*, [2025] UKSC 25:

(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, in certain circumstances, be dominated by one or more of its components;

(f) and beyond the usual case, where the overall impression created by a mark depends heavily on the dominant features of the mark, it is quite 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 greater 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; and

(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 and services

95. The goods and services to be compared are set out at [3] and [92].

96. Section 60A of the Act provides:

‘For the purpose of this Act goods and services-

(a) are not to be regarded as being similar to each other on the ground that they appear in the same class under the Nice Classification.

(b) are not to be regarded as being dissimilar from each other on the ground that they appear in different classes under the Nice Classification.

(2) In subsection (1), the 'Nice Classification' means the system of classification under the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, which was last amended on 28 September 1975.'

97. I note the case of *Gérard Meric v Office for Harmonisation in the Internal Market*,⁵⁷ in which the GC held that:

29. ... the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by trade mark application (Case T-388/00 Institut für Lernsysteme v OHIM- Educational Services (ELS) [2002] ECR II-4301, paragraph 53) or where the goods designated by the trade mark application are included in a more general category designated by the earlier mark'.

98. The CJEU in *Canon*, Case C-39/97, stipulates that all relevant factors relating to the parties' goods and services must be taken into account:

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

⁵⁷ Case T-133/05.

99. Goods or services will be found to be in a competitive relationship only where one is substitutable for the other.⁵⁸ In *Boston Scientific Ltd v OHIM*, Case T-325/06, the GC described ‘complementary’ in the following terms: “[...] there is a close connection between them, 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”.⁵⁹ In *Kurt Hesse v OHIM*, Case C-50/15 P, the CJEU stated that complementarity is an autonomous criterion capable of being the sole basis for the existence of similarity between goods.

100. Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281,⁶⁰ identified the following factors for assessing similarity of the respective goods (and services):

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

101. Goods (or services) may be grouped together for the purposes of assessment, as Geoffrey Hobbs Q. C. (as he then was), sitting as the Appointed Person, said in *Separode Trade Mark* BL O-399-10:

⁵⁸ *Lidl Stiftung & Co KG v EUIPO*, Case T-549/14.

⁵⁹ Paragraph 82.

⁶⁰ *British Sugar Plc v James Robertson & Sons Ltd* [1996] R. P. C. 281, pp 296-297.

‘The determination must be made with reference to each of the different species of goods listed in the opposed application for registration; if and to the extent that the list includes goods which are sufficiently comparable to be assessable for registration in essentially the same way for essentially the same reasons, the decision taker may address them collectively in his or her decision.’

Class 12

Contested terms: *Cars; Platform cars; Motor cars; Sports cars; Touring cars.*

102. The above contested terms are encompassed by MBG’s broader class 12 terms *cars*. The limitation ‘namely cars not including racing cars’ does not prevent this finding because TKL’s terms are all ‘cars’, none being ‘racing cars’. The parties’ goods are, therefore, identical based on the principle in *Meric*.

Contested terms: *Motor car seats; Motor car windows*

103. TKL’s contested goods are to be compared to MBG’s term ‘cars not including racing cars’. TKL’s seats and windows for motor cars are component parts of MBG’s finished motor cars. In this connection, I bear in mind the case of *Les Éditions Albert René v OHIM*, Case T-336/03, in which the GC found that:

‘61... The mere fact that a particular good is used as a part, element or component of another does not suffice in itself to show that the finished goods containing those components are similar since, in particular, their nature, intended purpose and the customers for those goods may be completely different.’

104. End users will inevitably overlap where purchasers of finished cars are concerned. However, to my mind, purchasers of car seats and windows as parts will be predominantly professionals; e.g. car manufacturers will purchase seats and windows from other suppliers as components for the cars that they produce. User overlap will, therefore, not be total. That said, I recognise that some car

manufacturers also produce component parts under their own branding. The respective goods will have very different core purposes: cars are intended to carry a driver and passengers whereas the functions of car seats and windows are, respectively, to seat the occupants of the car; and to enable its occupants to see out of the car safely. Trade channels will overlap where consumers of cars order branded replacement parts for their vehicles from the same dealer. There is no competition between the goods. I do not find complementarity, either. When purchasing a car, seats and windows are a given; if either is missing, the car is not a complete or functioning car. A purchaser of a car would not, therefore, consider a seat or window to be useful to the car – because the car would automatically have these for it to be sold as a car. Conversely, a professional purchaser of seats or windows as component parts for the cars that it manufactures will not find the goods ‘cars’ important or useful to seats/windows. The respective goods will differ greatly in appearance and physical natures. All things considered, I find a low level of similarity between the parties’ goods.

Class 42:

Contested term: *Design of cars*

105. MBG has argued that the design of cars is very broad and that it ‘covers any form of modification of the appearance of the interior or exterior of a car or its performance’.⁶¹ Mr Moore has argued that the various options available when choosing a new car will be unique to the purchaser and affect the appearance and function of the car.⁶² Whilst both of these propositions are true, I respectfully disagree that having the opportunity to make choices about features of a car amounts to engaging the service of ‘design of cars’. In my view, the core service being provided under the contested term is the act of designing; which, put broadly, is the creation of the plan or blueprint according to which an object is built. Users of the parties’ respective offerings will be distinct: MBG’s cars will be purchased predominantly by the general public; whereas TKL’s design services will be almost

⁶¹ MBG’s Skeleton Argument, [12].

⁶² As above.

exclusively engaged by professionals (e.g. those in the business of car manufacturing). Trade channels will also be separate. The parties' goods and services are neither competitive nor complementary. All things considered, I do not find any appreciable level of similarity between the parties' offerings.

106. Some similarity between the parties' goods and services is essential in order to find a likelihood of confusion between the parties' marks under section 5(2)(b) grounds. In the case of *eSure Insurance v Direct Line Insurance*, [2008] ETMR 77 CA, Lady Justice Arden stated that:

'49..... I do not find any threshold condition in the jurisprudence of the Court of Justice cited to us. Moreover, I consider that no useful purpose is served by holding that there is some minimum threshold level of similarity that has to be shown. If there is no similarity at all, there is no likelihood of confusion to be considered. If there is some similarity, then the likelihood of confusion has to be considered but it is unnecessary to interpose a need to find a minimum level of similarity'.

107. The present ground fails against the services that I have found to be dissimilar. However, the opposition remains live for the class 12 goods:

Class 12:

Cars; Platform cars; Motor cars; Sports cars; Motor car seats; Motor car windows; Touring cars.

Average consumer and the purchasing act

108. The average consumer is deemed to be reasonably well-informed and reasonably observant and circumspect. The word 'average' denotes that the person is typical. In *Iconix Luxembourg Holdings SARL v Dream Pairs Europe Inc & Anor*, [2025] UKSC 25, the Supreme Court approved the comments of Arnold LJ in *Lidl Great Britain Ltd & Anor v Tesco Stores Ltd & Anor (Rev1)* [2024] EWCA Civ 262, where he pointed out that:

(a) Consumers who are ill-informed or careless, or consumers with specialised knowledge or who are excessively careful are excluded from consideration;

(b) The average consumer provides a standard which enables the courts to strike a balance between the competing interests involved, such as trade mark owners, their competitors and consumers;

(c) The average consumer is neither a single hypothetical person nor a mathematical average; assessment from the perspective of the average consumer does not involve a statistical test. There is no single meaning rule and if, having regard to the perceptions and expectations of the average consumer, the court considers that a significant proportion of the relevant public is likely to be confused, a finding of infringement may properly be made;

(d) Assessment from the perspective of the average consumer is intended to facilitate adjudication of trade mark disputes by providing an objective criterion, by promoting consistency of assessment and by enabling courts and tribunals to determine such issues so far as possible without the need for evidence;

(e) The average consumer's level of attention varies according to the category of goods or services in question; and

(f) the average consumer rarely has the opportunity to make direct comparisons between trade marks (or between trade marks and signs) and must instead rely upon the imperfect picture of the trade mark they have kept in their mind.

109. The average consumer of the parties' goods by way of types of cars (excluding racing cars) will be predominantly the general public. I nevertheless appreciate that a smaller number of purchases will be made by professionals, e.g. business users managing fleets of cars. The purchasing act will be primarily visual. The goods will, to my mind, almost always be inspected in real life, and in many cases test-driven, before a transaction is concluded. There will often also be an aural aspect; for example, where the prospective purchaser discusses their required vehicle specification with the seller. Brand new cars are high value goods, typically costing

tens of thousands of pounds (many second-hand cars are also sold for several thousands of pounds), and purchased infrequently. The average consumer would likely display a high measure of prudence when deciding whether to purchase the goods concerned. I consider that the decision to purchase a car is influenced by many factors including, *inter alia*: size of vehicle; styling and appearance; fuel efficiency; maintenance costs. I find that the average consumer, whether the general or professional public, will likely pay a high level of attention during the purchasing act.

110. I find that car seats and windows will be purchased predominantly by the professional public. I recognise that, where the general public purchase replacements, whilst they will be the ultimate end-user, the actual handling of the purchase will likely be done by a professional installing the new seat/window. The purchasing act will be primarily visual, with the goods being seen in catalogues or showrooms (and online equivalents). I consider that a considerable level of care would be taken during the purchasing act. Factors influencing the decision to make a purchase will include, *inter alia*: safety (particularly for the seats); the materials from which the goods are composed, and their durability. I find that a high level of attention would be paid before committing to a purchase.

Comparison of the marks

111. It is clear from *Sabel BV v Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also 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.'

112. The marks to be compared are as follows:

Earlier mark:	Contested Application:
SL	

Overall impression of the marks

113. The earlier mark is a word mark comprising the pair of initials 'SL'. In word marks, it is the word that is protected, irrespective of colour, form or typeface: see *LA Superquimica v EUIPO*, Case T-24/17, [39]. I find that the overall impression of the earlier mark resides in the pairing 'SL'.

114. The Contested Application comprises a figurative sign comprising the wording 'EuropeanSL' rendered in a cursive typeface. I find that the mark will be seen in its entirety. To my mind, 'EuropeanSL' will be read as a 'string' from left to right as is the case with reading any wording presented in cursive. Whilst this must mean that the 'European' portion will be read first, my view is that it is the 'SL' portion of the mark that will have more impact in terms of being more the more memorable part of the mark. The presentation of the 'SL' characters in upper case in contrast to the lower case characters preceding it allows it to stand out and be recognised as a pair of initials. I find that, whilst the mark will be seen in its entirety, the 'SL' portion will be seen as the more distinctive part of the mark, with the word 'European' being seen as descriptive (e.g. indicating that the goods originate from Europe).

Visual comparison

115. I find that the earlier mark, as a word mark, is capable of being presented in a cursive styling, similar to that of the opposed mark, without altering the nature of its inherent distinctive character; its inherent distinctive character residing in the pairing of the initials 'SL'.⁶³ The only real point of visual difference is, therefore, the presence of the word 'European' in the Contested Application that is absent from the earlier mark. It is important to note that, just because the word 'European' will be perceived as descriptive does not mean that it will not be seen in the opposed mark. The earlier mark is very short, comprising just two characters; whereas the opposed mark is much longer. This amounts to stark difference in length. All things considered, I find a medium level of visual similarity between the marks.

Aural comparison

116. 'SL', in either mark, will be articulated in the normal way by enumerating each character, i.e. 'ESS-ELL'. The 'European' portion will be pronounced in the normal. If the opposed mark is articulated in full, then the marks will have a low to medium level of aural similarity. In case the average consumer chooses not to articulate the 'European' portion of the opposed mark due to it being seen as descriptive, then the marks will be aurally identical.⁶⁴

Conceptual comparison

117. MBG has not provided any argument as to the conceptual aspect of the earlier mark.⁶⁵

118. TKL, on the other hand, claims that 'SL' is descriptive and has little or no distinctive character in relation to motor vehicles.⁶⁶ It argues that 'SL' is 'widely used in the car industry as a descriptive reference to "Super Leggera", "Super Leicht", "Sport Light" and/or "Super Light" – to inform consumers that the product

⁶³ This will be addressed in more depth under 'Distinctive character of the earlier mark'.

⁶⁴ BLO/1141/25 *ENRICH LEARNING*, at [15].

⁶⁵ MBG's argument on its distinctiveness will be addressed under 'Distinctive character of the earlier mark'.

⁶⁶ TKL's Defence and Counterstatement, [12].

[...] relates to a lightweight motor vehicle'.⁶⁷ I note that TKL elected not to file any evidence to support this claim. I further note that there is nothing in MBG's evidence to suggest that 'SL' would be understood in this way (although this is, for obvious reasons, less surprising). There is no material before me to support a finding that 'SL' will be seen as descriptive.

119. My view is that MBG's 'SL' mark will be seen simply as a pair of initials for some unknown words or name.

120. I now turn to TKL's mark. The word 'European' will be understood as a descriptive word pertaining to the continent named Europe and used to denote people or things originating from that geographical area. I find that the 'SL' portion of the mark will be understood in the way described above in respect of MBG's mark, i.e. as a mere initialism for words/a name unknown. I consider that TKL's mark will likely be perceived as indicating a product under a brand 'SL' with a European connection, such as the goods originating from Europe.

121. 'SL' appears in both parties' marks and will be understood in the same way, as initials. Whilst the 'concept' of 'the initials S and L' is not particularly rich in meaning, it is a concept nonetheless; and, for this reason, there is conceptual overlap between the marks. The presence of 'European' introduces a point of conceptual distinction by conveying the idea of the goods having a European origin. All things considered, I find a level of conceptual similarity between the marks in the medium to high range.

Distinctive character of the earlier mark

122. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97, the CJEU stated that:

'22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an

⁶⁷⁶⁷ As above.

overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

23. 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)'.

123. Registered trade marks possess varying degrees of inherent distinctive character. Where a mark is suggestive or allusive of a characteristic of the goods or services, it tends to be lower. Inherent distinctive character may range up to a high level for marks which consist of invented words with no allusive qualities.

124. MBG argues that its mark 'SL' is highly distinctive for motor vehicles by virtue of the use that has been made of it; and claims that the mark has been used 'for over 60 years on one of the most desirable cars made with some versions now selling for 7 figure sums'.⁶⁸ Mr Moore, in his oral submissions, argued that the fact that the press articles refer to 'SL' solus, i.e. without qualifying it by mentioning Mercedes, demonstrated the high level of distinctiveness acquired by the mark. Mr Moore referred to the article from Top Gear magazine in which it is stated that the 'SL' mark is 'one of Merc's most famous model nomenclatures'; arguing that this

⁶⁸ MBG's Skeleton Argument, [13].

was a clear independent statement showing that ‘SL’ had a very strong reputation⁶⁹ and that the mark is entitled to an enhanced distinctiveness in the UK.

125. The starting point is to consider the matter of inherent distinctiveness before proceeding to determine whether the level of distinctiveness has been raised based on MBG’s argument set out above. ‘SL’, as a mere pairing of initials, neither describes nor alludes to the relevant goods. I bear in mind the case of *Kunze Folien GmbH v Kartell UK Limited*⁷⁰ in which Mr Iain Purvis Q.C. (as he then was), sitting as the Appointed Person, referred with approval to a decision of the fourth Board of Appeal of OHIM (now the EUIPO),⁷¹ in which it was noted that:

‘letters or combinations of two or three letters are inherently weak, given the limited number of letters in the alphabet, the great number of meanings that acronyms and abbreviations may have and the fact that consumers frequently encounter abbreviations and letter combinations of all kinds in everyday life and business as generic abbreviations but not as marks’.

126. I find the earlier mark to have a low level of inherent distinctive character.

127. I now turn to the matter of enhanced distinctive character. I accept Mr Moore’s argument to the extent that the evidence clearly shows a level of awareness and recognition of the ‘SL’ badge in the context of cars; and that MBG’s particular offering is regarded as a ‘high end’ luxury vehicle coveted for its ‘sporty’ profile. However, I am not persuaded that the mark has enjoyed a level of enhancement to the degree that Mr Moore advocates.

128. The evidence does clearly chronicle the long history of the ‘SL badge’, mentioning, inter alia, its success in Le Mans in 1952 through to the production of the most recent iteration (the seventh generation) of the ‘SL’ car that commenced in 2021. I refer back to the factors enumerated in *Lloyd Schuhfabrik* (noted at [123])

⁶⁹ The matter of reputation is addressed in more detail in the context of the section 5(3) ground of opposition.

⁷⁰ Case BLO/084/14

⁷¹ *Alfa-Beta Vissilopoulos AE v Agro de Bazan*, Case R 82/2011-4, [16].

above) that must be borne in mind when making my assessment. I consider the absence of information as to the size of the market – both for new cars in general, as well as the ‘luxury car’ sector - to be surprising given the magnitude of MBG’s claim to enhanced distinctiveness. Without even an estimate as to the value of the UK market for new cars, which I presume to be enormous, it is difficult to form a view as to the position of ‘SL’ within it. The number of cars delivered to the UK in 2022 (most of which I presume to amount to actual sales given the bespoke nature of many orders) is rather low. Whilst such modest sales, given the luxury nature of the car and its high minimum price-point, are (amongst other factors) sufficient to substantiate MBG’s claim to genuine use, this does not necessarily point to enhanced distinctiveness. I am unable to form a view as to the proportion of the relevant section of the public which, because of the mark ‘SL’, will identify the cars as originating from MBG.

129. It would have been helpful if MBG had adduced evidence of advertising and marketing expenditure in respect of goods under the ‘SL’ mark. Whilst there are press articles that speak of the ‘SL’ cars in impressive terms (including Top Gear magazine, which I understand to be a very well-known magazine), no information has been provided on the reach of these publications. Whilst the press articles praising ‘SL’ cars must have generated some measure of good publicity in the UK, MBG has not provided any examples of actual advertisements for its goods. Although a ‘press kit’ has been provided, it would have been helpful if information had been included on which publications/press outlets had ‘picked up’ the kit and run articles based on it. Furthermore, where the press has made use of a press kit in publishing a feature on ‘SL’ (and I have no way of knowing which of the articles, if any, involved use of the press kit), this makes it difficult to determine the extent to which the laudatory parts of the article have been driven by MBG itself. Based on the body of evidence provided, it is difficult to form a view as to how intensely the ‘SL’ mark has been used. I note that the sales brochures for the sixth and seventh generation ‘SL’ would have been available at all 118 showrooms/dealers dotted around the UK, but no information has been provided as to how many consumers might have seen these. The expectation is that the sales brochures would also be available online; but this has not been mentioned in the evidence.

130. Having considered the totality of evidence carefully, it is my view that the distinctive character of the ‘SL’ mark has likely been raised somewhat by virtue of the use that has been made of it. However, I find that the evidence does not support the attainment of the very high level of distinctiveness that MBG contends. I find that the level of distinctive character has been raised from the inherent position up to the level of ‘medium’.

Likelihood of confusion

131. Confusion can be direct or indirect. Mr Iain Purvis Q. C., (as he then was) as the Appointed Person, explained the difference in the decision of *L.A. Sugar Limited v By Back Beat Inc*⁷². Direct confusion occurs when one mark is mistaken for another. In *Lloyd Schuhfabrik*⁷³, the CJEU recognised that the average consumer rarely encounters the two marks side by side but must rely on the imperfect picture of them that they have kept in mind. Direct confusion can therefore occur by imperfect recollection when the average consumer sees the later mark but mistakenly matches it to the imperfect image of the earlier mark in their ‘mind’s eye’. Indirect confusion occurs when the average consumer recognises that the competing marks are not the same in some respect, but the similarities between them, combined with the goods/services at issue, leads them to conclude that the goods (or services) are the responsibility of the same or an economically linked undertaking.

132. I must keep in mind that a global assessment is required taking into account all of the relevant factors, including the principles a) – k) set out above at [95]. When considering all relevant factors ‘in the round’, I must bear in mind that a greater degree of similarity between goods/services *may* be offset by a lesser degree of similarity between the marks, and vice versa.

133. I will address direct confusion first. With the exception of the class 42 term *design of cars*, I have found the contested goods to have some level of similarity

⁷² Case BL O/375/10 at [16].

⁷³ *Lloyd Schuhfabrik Meyer and Co GmbH v Klijsen Handel BV* (C-34297) at [26].

with those of MBG ; ranging from 'identical' (for the 'car' terms) to 'low similarity' for seats and windows for motor cars. Both marks feature 'SL', which will be understood the same way in each. Visually speaking, I have found the marks to be similar to a medium degree. I find that the 'European' portion of the Contested Application will not be overlooked; with the difference in the lengths of the marks being visually stark. As to the aural aspect of the marks, where TKL's mark is articulated fully, the phonetic difference between the marks will be impactful; and I have found the marks to be aurally similar to a low to medium degree in this instance. If, on the other hand, the average consumer is moved to neglect to articulate 'European' due to its perceived descriptiveness, then the marks will be aurally identical. I have found the marks to have a conceptual overlap by virtue of the shared pairing of the initials 'SL', with the point of distinction residing in the presence of the word 'European', which will likely be seen as an indication that the goods originate from, or have some connection with, Europe. It is my view that, despite the identity and similarity of the goods, the net effect of the differences between the marks is sufficient to prevent one mark from being mistaken for the other. The nature of the goods is such that the visual aspect of the purchasing process will be particularly important and the average consumer would pay a high level of attention during the purchasing act. I find that there is no likelihood of direct confusion. However, for reasons that I will now explain, I do find a likelihood of indirect confusion.

134. In the case of *Liverpool Gin Distillery Ltd & Ors v Sazerac Brands, LLC & Ors* [2021] EWCA Civ 1207, Arnold LJ referred to the comments of James Mellor QC (as he then was), sitting as the Appointed Person in *Cheeky Italian Ltd v Sutaria* (O/219/16), where he said the following at [16]:

'a finding of a likelihood of indirect confusion is not a consolation prize for those who fail to establish a likelihood of direct confusion'. Mr Mellor went on to say that, if there is no likelihood of direct confusion, 'one needs a reasonably special set of circumstances for a finding of a likelihood of indirect confusion'.

135. Arnold LJ emphasised that ‘there must be a proper basis for concluding that there is a likelihood of indirect confusion given that there is no likelihood of direct confusion’.⁷⁴

136. I also note that, in *L.A. Sugar Limited v Back Beat Inc*⁷⁵ Mr Iain Purvis Q. C. (as he then was), as the Appointed Person, explained that:

‘17. Instances where one may expect the average consumer to reach such a conclusion [i.e. to conclude that marks relate to the same or economically linked undertakings] 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)’.

137. I acknowledge that these categories are not intended to be exhaustive. I consider that the instant case aligns with the second of Mr Purvis’ aforesaid categories. My view is that the ‘European’ portion of TKL’s cannot be missed. Its positioning at the beginning of the mark and the fact that the cursive styling ‘joins’ the word to the more distinctive ‘SL’ element means that the entire mark will be seen. However, the presence of the word ‘European’ does not disturb the distinctive

⁷⁴ *Liverpool Gin Distillery Ltd & Ors v Sazerac Brands, LLC & Ors* [2021] EWCA Civ 1207.

⁷⁵ Case BL O/375/10

character of the 'SL' element within the mark, which will be understood in the same way for each mark, i.e. as a mere pairing of initials 'SL'. If the average consumer neglects to articulate the word 'European', it is because they have perceived it be descriptive and understood the 'SL' element to be the source of the trade mark significance. I find that a significant proportion of average consumers will see the marks as alternative marks originating from the same undertaking: one showing the initials alone, and the other being a stylised version with the descriptive term 'European' present to indicate that the goods have a European origin or connection. My finding of a likelihood of indirect confusion applies to all of the contested goods found to have some level of similarity with those of MBG. I have borne in mind the interdependency principle according to which a lesser degree of similarity between the goods or services may be offset by a greater degree of similarity between the marks, and vice versa. It is important to note that the differences between the marks, along all three planes of comparison, only arise because of the presence of the descriptive word 'European'. But for the descriptive element, the marks would be identical. I have, therefore, found that the interdependency principle will have an impact in this case by way of tempering the effect of the low level of similarity that I found in respect of car seats and windows. There is a likelihood of indirect confusion.

Outcome of the section 5(2)(b) ground of opposition

138. The opposition under this ground has:

i. succeeded in respect of the following terms:

Class 12:

Cars; Platform cars; Motor cars; Sports cars; Motor car seats; Motor car windows; Touring cars.

and

ii. failed in respect of the following term:

Class 42: *Design of cars*

139. I will now address the remaining grounds of the opposition. In his oral submission, Mr Moore said that MBG accepted that its position is not going to be any better under section 5(4)(a) than under section 5(2)(b) and that it would not be advancing any argument over and above that made in respect of its 5(2)(b) claim. In the light of this concession, I do not propose to consider the section 5(4)(a) claim. I will now proceed to determine the 5(3) claim.

The section 5(3) ground

Relevant legislation

140. Section 5(3) of the Act reads as follows:

‘A trade mark which-

(a) 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.’

141. As noted, MBG seeks to rely upon its earlier 415 Mark for the section 5(3) ground of opposition. The two consolidated revocation actions that I have already determined concerned visually identical marks, albeit the 415 Mark is a UK mark whereas the 423 Mark is a comparable mark based on an EUTM. The body of evidence adduced, therefore, included material relating to use within the EU, which, in the context of the revocation actions, the Registrar was entitled to take into account. However, given that it is the UK mark that is relied on for the opposition proceedings, any EU use of the ‘SL’ mark shown cannot be considered when determining the matter of the reputation of the ‘SL’ mark. Furthermore, to the

extent that the evidence might show reputation in respect of goods that have not survived the revocations, this must also be disregarded.

142. As noted, the section 5(3) ground is directed to the Contested Application in its entirety. However, given that the section 5(2)(b) ground of opposition succeeded for all opposed term except TKL's class 42 service *Design of cars*, I will confine my assessment under 5(3) to this one term.

The relevant case law

143. The relevant case law can be found in the following judgments of the CJEU: *General Motors Corp v Yplon SA* (Case C-375/97), *Intel Corporation Inc v CPM United Kingdom Ltd* (Case C-252/07), *Adidas Salomon AG v Fitnessworld Trading Ltd* (Case C-408/01), *L'Oréal SA & Ors v Bellure & Ors* (Case C-487/07), *Interflora Inc & Anor v Marks and Spencer plc & Anor* (Case C-323/09) and *Environmental Manufacturing LLP v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* (Case C-383/12 P). 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 Salomon*, 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 and/or services, the extent of the overlap between the relevant consumers for those goods and/or 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 that 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'Oréal, paragraph 44.

g) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods and/or 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 and/or services for which the earlier mark is registered, or a serious risk that this will happen in the 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 on the earlier mark; L'Oréal, paragraph 40.

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; Interflora, paragraph 74, and the court's answer to question 1 in L'Oréal.

Reputation

144. In General Motors, the CJEU held that:

'24. The public amongst which the earlier trade mark must have acquired a reputation is that concerned by that trade mark, that is to say, depending on the product or services marketed, either the public at large or a more specialised public, for example traders in a specific sector.

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.'

145. The relevant date on which MBG must show a reputation, within the UK, is the date of filing for the Contested Application, i.e. 25 May 2021 (the Relevant Date'). The relevant public comprises the average UK consumers of cars in general.

146. It is important to clarify that the fact that I have found the 415 Mark to have been put to genuine use within the UK does not equate to a finding that the mark has the requisite reputation in the context of an opposition claim.⁷⁶

147. I further remind myself that a finding of enhanced distinctiveness does not automatically lead to a finding of reputation, either. Distinctive character and reputation are distinct concepts. Distinctiveness refers to the greater or lesser capacity of a mark to function as a badge of origin; and it is relevant to the assessment of likelihood of confusion where goods/services must bear some similarity to those under an earlier mark. Reputation, on the other hand, refers to the degree of recognition that can be demonstrated by the earlier mark in question; and a finding that reputation is proven is (along with proving 'link' and subsequent damage) capable of defeating a trade mark application even where there is no similarity between the parties' goods/services.

148. Mr Moore submitted that MBG's evidence showed that the 'SL' mark has 'a very strong reputation'. For reasons of procedural economy, Mr Moore's arguments on reputation were, at times, conflated with his points on enhanced distinctiveness. His reference to the claim in Top Gear Magazine (noted above at [64]), dated 9 July 2016, that 'SL' was one of MBG's most famous model nomenclatures was a point made in support of both enhanced distinctiveness and reputation. There are relatively few examples of third-party statements provided in support of 'SL' having a very strong reputation. Aside from the aforementioned Top Gear article, I have noted, inter alia, an article from Autocar.co.uk in 2019 describing the Mercedes SL as 'perhaps the most splendid, single-minded luxury convertible in the world'. An article from carmagazine.co.uk, in March 2021, observed that 'the SL name has been around for decades'. I further noted an article from autocar.co.uk, dated 28 October 2021 (some 5 months after the Relevant Date) which hailed the (at the time) forthcoming 2022 edition of the SL as a 'Porsche 911 rival'.

149. I have considered carefully the totality of evidence provided. It is clear that there must be an appreciable level of awareness and recognition of 'SL' cars as luxurious

⁷⁶ *Iron & Smith Kft v Unilever NV* [2015] E.T.M.R. 45, at [23].

and aspirational vehicles, with the high price points reflecting their highly technical specifications. The highly favourable endorsements in the selection of articles provided clearly show that ‘SL’ is admired by a section of the public, and the ‘SL’ name has clearly been around for decades. Although I am unable to determine the extent of the awareness of the mark, the highly favourable terms in which the motoring press speaks of ‘SL’ cars demonstrate that the mark has some level of a reputation, particularly in the market for luxury road-going cars. In reaching this conclusion, I have borne in mind that in *Enterprise Holdings Inc v Europcar Group UK Ltd* [2017] E.C.C. 11, Arnold J set out that establishing a reputation is not a particularly onerous requirement. Notwithstanding the evidential shortcomings that I have identified at [129] and [130] (in the course of my assessment of enhanced distinctiveness) I find that the requisite reputation has been demonstrated, although the evidence does not support a finding that the reputation is strong.

150. I now proceed to consider the matter of ‘link’.

Link

151. In assessing whether the public will make the required mental link between the marks, I must take account of all relevant factors, which were identified by the CJEU in *Intel* at paragraph 42 of its judgment. I shall consider each of them in turn.

The degree of similarity between the conflicting marks

152. The similarity between the marks must be assessed here in the same way as it would be under section 5(2): see *Adidas Salomon*, paragraphs 28-29. My earlier findings at [114] – [121], therefore, apply here.

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

153. I have found the parties' goods/services (MBG's cars versus TKL's design of cars) to be dissimilar for the purposes of the section 5(2)(b) claim. Whilst both offerings are related to cars, users and trade channels are separate. Whilst the users of *cars* will be predominantly the general public, I consider those engaging car design services to be almost exclusively professionals in the car trade.

The strength of the earlier mark's reputation

154. I refer back to the shortcomings of MBG's evidence noted at [128] to [130] in the context of the matter of enhanced distinctiveness. Whilst I have found that a reputation exists for 'SL', I have found the totality of evidence provided to be insufficiently granular to enable me to determine the strength of that reputation.

The degree of the earlier mark's distinctive character, whether inherent or acquired through use

155. As noted at I have found that the level of distinctive character enjoyed by the 'SL' mark has been raised to medium, (from inherently low) by virtue of the use that has been made of it.

Whether there is a likelihood of confusion

156. The dissimilarity between the goods and services would have precluded a finding of likelihood of confusion under section 5(2)(b). However, there are some instances where some marks are so highly distinctive and well known that there is likely to be some confusion almost irrespective of the goods or services in relation to which they are used, as my colleague, Mr Allan James, explained in *Lazard & Co., Holdings Ltd v Lazard Consulting Ltd*, BL O-359-15, paragraph 55. As to the instant case, I do not find the 'SL' mark to be highly distinctive, nor does the evidence support a finding that its reputation is strong. Furthermore, I do not consider the marks to be sufficiently similar to overcome the dissimilarity between the goods and services. I find that there is no likelihood of confusion.

Conclusions on link

157. There does not need to be a likelihood of confusion for a link to be established in the mind of the relevant public: see *Adidas-Salomon*, paragraph 27. I have found the distinctive character of the 'SL' mark to have been enhanced to only a medium degree. Although I have found that the mark enjoys some level of reputation, I have found that the evidence does not demonstrate that reputation to be strong. My view is that these factors weigh against a finding that there will be a link created in the mind of the relevant public. Although there is some similarity between the marks, the differences between the marks will be readily apparent to the relevant public. Taking into account all relevant matters, I am unable to find that there will be a link created in the minds of a significant proportion of the relevant public, i.e. professional consumers engaging *car design services*.

158. In the light of my finding, it is not necessary to consider the matter of damage.

159. The section 5(3) ground of opposition, therefore, fails.

160. As noted at [139], it is not necessary to determine the 5(4)(a) ground of opposition.

Outcome of the consolidated proceedings

161. Revocations CA505060 and CA505745 have been partially successful; and the consequences have already been set out above at [89] to [90].

162. Opposition 429982 has also been partially successful. Subject to any appeal, following my findings at [138], the Contested Application UK00003646684 is:

i. refused in respect of the following:

Class 12:

Cars; Platform cars; Motor cars; Sports cars; Motor car seats; Motor car windows; Touring cars;

And

ii. may proceed to registration for the following only:

Class 42: *Design of cars*

COSTS

163. Both parties have enjoyed some measure of success. I further note that MBG narrowed its position, both in terms of the scope of its defence of the revocations, and the scope of its claims in the related opposition, at a late stage in the proceedings. On balance, I consider it appropriate to make no order for costs.

Dated this 27th day of August 2026

N. R. Morris

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