

O-044-07

UK TRADE MARK APPLICATION No. 2288742

**IN THE NAME OF THE ROYAL AUTOMOBILE CLUB
MOTOR SPORTS ASSOCIATION**

TO REGISTER THE TRADE MARK 'BRITISH GRAND PRIX' IN CLASS 41

**AND AN APPLICATION TO AMEND THE GROUNDS OF
OPPOSITION No. 92645**

IN THE NAME OF FORMULA ONE LICENSING BV

Background

1. The Royal Automobile Club Motor Sports Association Limited applied on 21 December 2001 to register a series of two trade marks consisting of:

1. BRITISH GRAND PRIX
2. ...BRITISH GRAND PRIX

2. The application was subsequently accepted on the basis that the marks had acquired a distinctive character through use in respect of “Organisation of motor land racing events; organisation of motor land racing events for four wheeled vehicles”.

3. Following publication in the Trade Mark Journal, opposition to the proposed registration was filed on 16 July 2004 by Formula One Licensing BV. The grounds of opposition were more detailed than is usual in trade mark opposition proceedings. The following summary of grounds is sufficient for this purpose.

- a. The applicant is not the true proprietor of the trade marks. It acts only as the regulator of the services provided in the UK on behalf of the Federation Internationale De L’Automobile (FIA).
- b. The opponent is the true proprietor of the marks by virtue of an agreement with the FIA in which the opponent’s group has the right to use the mark in the UK, select the company which provides the services and determine the way in which the marks are used. The opponent has controlled use of the marks GRAND PRIX and BRITISH GRAND PRIX in the UK for at least 10 years prior to the applicant’s trade mark application. Consequently, it is the opponent rather than the applicant which owned the goodwill under the mark applied for at the relevant date.
- c. Unauthorised use of the marks by the applicant would therefore constitute passing off, and registration of the marks would therefore be contrary to s.5(4)(a) of the Trade Marks Act.
- d. Contrary to the statement on the application form, the applicant does not intend to use the marks applied for, but rather intends to use the mark FORMULA ONE BRITISH GRAND PRIX. The application was therefore made in bad faith and registration should accordingly be refused under s.3(6) of the Act.
- e. The marks are of such a nature as to deceive the public if used other than in relation to the FIA Formula One World Championship. Registration of the trade mark would therefore be contrary to s.3(3)(b) of the Act.
- f. The marks are descriptive of, and non-distinctive for, a motor racing competition and registration should be refused under s.3(1)(b) and (c) of the Act.
- g. The use filed by the applicant did not show that the marks had acquired a

distinctive character as marks which distinguish the applicant's services. Consequently, the application should be refused registration because it the mark fails to satisfy the requirements of s.3(1)(b) and (c) of the Act

4. There are further grounds of opposition based upon the opponent's earlier application to register GRAND PRIX as a Community trade mark for identical services, but there is no need to say any more about these grounds for present purposes.
5. There were originally still further grounds of opposition based upon the opponent's claim that GRAND PRIX is a well known mark in the UK and entitled to protection under the Paris Convention whether or not the owner of the mark has any goodwill in the UK. These grounds are now dropped. I therefore need say no more about these grounds either.
6. The applicant resisted the opponent's claims and both sides proceeded to file evidence. In the opponent's case this included a copy of the commercial agreement which it claimed entitled it to claim to be the true proprietor of the marks applied for in the UK. The opponent was given until 9 August 2006 to complete its evidence-in-reply, after which time the matter would normally have proceeded to a substantive hearing.
7. On 8 August 2006 the opponent applied to amend the grounds of opposition. The amendments which are most relevant are that:
 - a. A further ground of opposition be introduced on the basis that the two marks in the series do not qualify as such, and registration of the marks would therefore be contrary to s.41 of the Act.
 - b. The grounds of opposition under s.3(1)(b) and (c) be amended so that they are based upon a claim that the marks are descriptive of a Formula One motor racing competition.
 - c. The claim of bad faith be changed so that it is no longer based upon the specific claim that the mark that the applicant intends to use is FORMULA ONE BRITISH GRAND PRIX. Instead it is proposed that the claim be founded on the more general proposition that the applicant intends to use the marks applied for only as a part of a composite sign, which could include RAC BRITISH GRAND PRIX.
 - d. The existing s.5(4)(a) ground of opposition be supplemented by two alternative factual bases. These are that, firstly, if contrary to the opponent's primary case it is not the owner of the goodwill identified by the marks applied for, then the FIA is. Secondly, if neither the opponent nor the FIA is the owner of the goodwill, then the marks are distinctive of a class of motor racing services and use of the marks in relation to services of a different class would constitute an actionable misrepresentation.
 - e. The primary basis for the s.5(4)(a) ground be amended so as to permit the opponent to rely upon goodwill which it claims was generated in the UK

from 1982 as a result of control of the name GRAND PRIX by its predecessor in business.

8. The applicant did not oppose the addition described at a) above and it was admitted.

9. The other amendments described above, and a minor elaboration of the s.3(3)(b) ground were opposed.

Decision

10. A hearing took place on 20 December 2006 at which the applicant was represented by Mr Mark Platt-Mills Q.C., instructed by Manches, and the opponent was represented by Mr Richard Arnold Q.C., instructed by McDermott, Will & Emery.

11. At the conclusion of the hearing, I allowed all of the amendments bar two. These were a) the substitution of a different factual basis for the s.3(6) ground of opposition, and b) the addition of the first alternative case for the s.5(4)(a) ground; namely that the FIA is the owner of any goodwill in the UK under the mark BRITISH GRAND PRIX. I also ordered the opponent to pay the applicant £600 as a contribution towards its costs in relation to the application.

12. The opponent has asked me to state the reasons for my refusal to permit the addition of these two further grounds of opposition. The reasons which follow therefore focus on this aspect of my decision and my decision to award the applicant costs.

General Principles

13. The Civil Procedural Rules do not apply to the registrar's tribunal. See, for example *St Trudo* [1995] RPC 370. Nevertheless, although there is no express provision in the Trade Mark Rules, it is common ground that the registrar has an inherent discretion to permit a party to amend its case.

14. A party ought not to be unreasonably refused permission to present its best case to the tribunal. Consequently, the registrar tends to lean in favour of allowing amendments to a statement of case except where this would prejudice the other party or where there are other good reasons to refuse the amendment sought. This is codified in the Office's Tribunal Practice Notice 4/2000, the relevant section of which is as follows:

Amendments to statements of case & counter-statements

22. As parties will be expected to file focussed statements of case and counter-statements, the Trade Marks Registry will consider requests to amend these documents later in the proceedings. Amendments may include adding or removing a ground of opposition/revocation or invalidity or correcting information contained therein. If an amendment becomes necessary parties should seek leave to make the amendment at the earliest opportunity. When seeking leave to amend full details of the amendment together with the reasons

for the amendment should be submitted. Whilst each request to amend will be considered on its merits the Registry will aim to give favourable consideration to such requests on the basis that it is likely to avoid a multiplicity of proceedings and thus help resolve the dispute between the parties quickly and at less cost. If the amendment requires the other party to file an amended counter-statement or additional evidence, an award of costs to cover this may be made.

15. As this notice makes clear, each case is considered on its own merits. Further, in order to avoid unnecessary delay or cost, it is important that requests to amend a party's case are made as soon as possible.

16. This goes to one of the applicant's objections to the amendments sought. Mr Platt-Mills pointed out that the application to amend the opponent's case was made only after both sides had filed their evidence, and no explanation had been offered for the delay. Mr Arnold submitted that this was because the opponent's case did not add any new grounds of opposition, other than the s.41 ground, which the applicant had accepted. Despite Mr Arnold's submission, I took the view that the resisted amendments did raise a new basis for part of the opponent's case. A claim that the mark belongs to the FIA is materially different to the claim in the existing s.5(4)(a) ground of opposition. Similarly, changing the factual basis for the bad faith claim so that it is founded on the proposition that the applicant is planning to use the mark only as part of a composite mark, such as RAC BRITISH GRAND PRIX, is really quite different to the original claim. Indeed, the opponent's complaint now seems to be precisely the opposite of the original factual claim, which was that the applicant only intended to use the mark as part of the composite term FORMULA ONE BRITISH GRAND PRIX.

17. The other way in which Mr Arnold dealt with the delay point was to say that the disputed amendments simply brought the formal grounds into line with the already admitted evidence. Whether this was true or not, it did not seem to me to be a wholly satisfactory explanation for the delay. As Mr Platt-Mills pointed out, evidence normally supports the pleadings and not vice versa.

18. I therefore accepted that there was some force in the delay point. It is a relevant factor but, as my decision on the other amendments shows, I did not consider it to be sufficient reason by itself to refuse the amendments.

19. I took the view that there was an additional reason to refuse to permit the revised bad faith ground to be introduced. An allegation of bad faith is a serious allegation which should not be lightly made. Where the factual allegations giving rise to the claim are proposed to be amended late in the proceedings, the amendment should only be allowed where the new facts, if found to be true, stand a reasonable chance of supporting the allegation of bad faith. It appeared to me that it was extremely unlikely that that was so in this case.

20. The opponent's revised claim is that the applicant, despite having applied to register the mark BRITISH GRAND PRIX, and made a statement of use/proposed use of this mark, in fact only intends to use the mark as a part of a composite mark, such

as RAC BRITISH GRAND PRIX. The opponent wishes to be allowed to argue that this means that the application was made in bad faith.

21. In *Société des produits Nestlé S.A.* Case C-353/03, the European Court of Justice held that a trade mark may acquire a distinctive character in consequence of its use as part of, or in conjunction with, another mark. There can be no dispute on the evidence that the mark applied for has often been used in conjunction with other names, such as the names of sponsors. The applicant claims that such use has helped to endow the mark with a distinctive character. If past use of a mark only in conjunction with other names is insufficient to prevent an applicant from showing that it has acquired a distinctive character alone, it would be extraordinary if an intention to continue such use could nevertheless be enough, by itself, to make an application to register the mark alone (with the associated statement of use) an act of bad faith.

22. It therefore appeared to me that the opponent's revised allegation was a) likely to serve to increase the cost and length of the proceedings, and b) bound to fail. In these circumstances it did not appear to me that it would be right to exercise the registrar's discretion in favour of the opponent so as to permit this amendment of the pleadings.

23. The amendment to add the first alternative factual basis for the s.5(4)(a) claim would have meant that the same evidence was intended to support one of three different factual conclusions. There is, of course, no objection in principle to a party putting its case in the alternative. However, it should be remembered that multiple alternative cases are easier to plead than they are to meet. Consequently, what may look like a "belt and braces" point on the part of one party can have the effect of markedly increasing the burden on the other party. I thought that there was an element of that here.

24. Further, the refused alternative claim was sought to be introduced in circumstances where:

- a) The principal evidence on which the opponent wished to rely to make good its alternative case that the FIA owned any relevant goodwill (the evidence of Ms Beavan) expressly contradicted (in paragraph 45 of the witness statement) that interpretation of the commercial agreement upon which the alternative claim is based.
- b) The President of the FIA had written a letter to the applicant only a few months before the application was made in which he expressly acknowledged that the title BRITISH GRAND PRIX belonged to the applicant.

25. There is currently nothing to prevent a party who is not the proprietor of an earlier right from opposing the registration of a trade mark on the basis of that right. However, one would not have thought that the prospects of such a claim succeeding would be very high where only a matter of months before an application is made, the supposed owner of the earlier right goes on record as stating that applicant is the owner of the right. Mr Arnold submitted that, firstly, it was a matter of fact and law whether a party owned a goodwill. It was not therefore decisive that the President of the FIA did not claim that it owned the right in question. Secondly, the President of

the FIA had, in any event, changed his position in a letter written after these proceedings had commenced.

26. As to the second point, the FIA's later letter still did not make any claim that it was the owner of any relevant goodwill. Indeed it stated that the matter of whether the applicant should be allowed to use the mark for a non-Formula One race was "not really a matter for the FIA, more a matter for UK law". It is true that the letter went on to express concern about the mark being used for non-Formula One races, but this seemed to me to be more consistent with the opponent's second alternative s.5(4)(a) case than the first.

27. I also took into account the applicant's position. I asked Mr Platt-Mills whether it was likely to be any part of the applicant's case that the opponent's primary case under this heading should fail because it is the FIA rather than the opponent that owns the goodwill under the mark applied for. He could not imagine that the applicant would take this position. That is hardly surprising because the applicant's case is that it owns the goodwill.

28. Taking all these factors together, my conclusion was that, although the success of the first alternative claim could not be completely ruled out (Mr Arnold's first point), the chances of that case succeeding were sufficiently slim that the burden of asking the applicant to respond to it at this stage of the proceedings was disproportionate to the apparent merit and likely relevancy of the claim to the outcome of the proceedings.

29. In the unlikely event that the applicant subsequently changed its position with regard to the ownership of any relevant goodwill, then it would be open to the opponent to renew its request to add a further alternative factual claim to support the s.5(4)(a) ground. However, as things stood, my judgment was that I should not exercise the registrar's discretion at this stage of the proceedings so as to permit the opponent to add its first alternative factual claim for the s.5(4)(a) ground.

30. Mr Arnold submitted that as I had admitted more of the resisted amendments than I had refused, neither party could claim to have been successful and the proper course was therefore to remit the question of costs to be dealt with along with the substantive issues at the substantive hearing. Mr Platt-Mills took a different view and asked for the applicant's costs.

31. It is true that both sides achieved a measure of success at the hearing. However, it is accepted that the amendments I admitted caused the applicant to have to file an amended counterstatement, and the likelihood is that it would have had to have filed further evidence in order to meet the new points. Whether or not the applicant was ultimately successful, I saw no reason to deny the applicant a contribution towards the additional costs occasioned by the opponent's application to amend its case. That is why the opponent will be ordered to pay the applicant the sum of £600 within 7 days of the end of the period allowed for any appeal of this decision.

Dated this 8th day of February 2006

**Allan James
For the Registrar**