

O-195-14

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No. 2634664
BY TESLACAB
TO REGISTER THE TRADE MARK
TESLACAB
IN CLASSES 9, 13, 35, 36, 39 & 41
AND**

**IN THE MATTER OF OPPOSITION
THERE TO UNDER No. 104369 BY
TESLA MOTORS INC.**

BACKGROUND

1) On 13 September 2012 Teslacab (hereinafter the applicant) applied to register the trade mark TESLACAB in respect of the following goods and services:

In Class 9: Scientific, nautical, surveying, photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), life-saving and teaching apparatus and instruments; apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity; apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, recording discs; compact discs, DVDs and other digital recording media; mechanisms for coin-operated apparatus; cash registers, calculating machines, data processing equipment, computers; computer software; fire-extinguishing apparatus.

In Class 12: Vehicles; apparatus for locomotion by land, air or water; wheelchairs; motors and engines for land vehicles; vehicle body parts and transmissions.

In Class 35: Advertising; business management; business administration; office functions; electronic data storage; organisation, operation and supervision of loyalty and incentive schemes; advertising services provided via the Internet; production of television and radio advertisements; accountancy; auctioneering; trade fairs; opinion polling; data processing; provision of business information; retail services connected with the sale of vehicles and computer software.

In Class 36: Insurance; financial services; real estate agency services; building society services; banking; stockbroking; financial services provided via the Internet; issuing of tokens of value in relation to bonus and loyalty schemes; provision of financial information.


In Class 39: Transport; packaging and storage of goods; travel arrangement; distribution of electricity; travel information; provision of car parking facilities.


In Class 41: Education; providing of training; entertainment; sporting and cultural activities.

2) The application was examined and accepted, and subsequently published for opposition purposes on 19 October 2012 in Trade Marks Journal No. 6962.

3) On 18 January 2013, Tesla Motors Inc. (hereinafter the opponent) filed a notice of opposition. The grounds of the oppositions are in summary:

a) The opponent is the proprietor of the following trade marks:

Mark	Number	Date of application / registration	Class	Specification relied upon
	CTM 5678602	09.02.07 PENDING	7	Anti-friction bearing for machines; anti-friction devices for motors and engines; ball-bearings; bearings for transmission shafts; bearings; belts for motors and engines; compressors for machines; connecting rods and control cables; connecting rods for machines, motors and engines; control cables for machines, engines or motors; control mechanisms for machines, engines or motors; controls (pneumatic) for machines, motors and engines; dynamo belts; dynamo brushes; dynamos; fans for motors and engines; fan belts for motors and engines; filters for cleaning cooling air (for engines); filters (parts of machines or engines); generators of electricity; lubricating pumps; lubricators (parts of machines); speed governors for machines, engines and motors; constant velocity joints; universal joints; all the aforesaid goods being components for use in automotive powertrains and/or electric vehicles.
			9	Apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity; data processing equipment and computers; computer software; electric batteries for vehicles; battery chargers; chargers for electric batteries; electric door closers; electric door openers; holders for electric coils; electricity indicators; plates for batteries; automatic indicators of low pressure in vehicle tyres; simulations for the steering and control of vehicles; speed checking apparatus for vehicles; speed indicators; navigation apparatus for vehicles; on board computers for vehicles; all the aforesaid goods for use in automotive powertrains or electric vehicles.
			12	Vehicles; land vehicles; electric vehicles; electric motor land vehicles; vehicle axles; electric motor vehicle bodies; brake pads and brake linings, all for vehicles; brake callipers, braking installations, bumper bars, clutches, differential gears, drive gears, drive shafts, engines and motors, fans for engines, gear change selectors, transmissions, transmission shafts, radiators, radiator caps, hydraulic cylinders and motors, couplings, carrying

				<p>bearings and fan belts, all for vehicles; chassis for vehicles; manual and power steering apparatus, personal safety restraints, seats, sliding roofs, steering columns, all for vehicles; vehicle wheel hubs; vehicle wheels; deflectors, direction indicators, doors, hatches, upholstery, handles for doors, horns, mirrors (retrovisors), luggage carriers, ski carriers, mud-guards, anti-skid chains, head rests, safety belts, safety seats for children, mud-flaps, roof-racks, shock absorbers, springs, stabiliser bars, starter motors, steering wheels, steering linkages, suspensions, torsion bars, tow bars, windows, window winding mechanisms, windscreen wipers, all for vehicles; arm rests for vehicles; balance weights for vehicle wheels; mechanical controls for engines, brakes, clutches, accelerators and for transmissions, mountings for engines, all for vehicles; protective covers, radiator grilles, reservoirs for fluids, stowage boxes and stowage compartments, wheel carriers, all being parts of vehicles; trim panels for vehicle bodies; starters for vehicles; parts and fittings for electric motor land vehicles.</p>
	<p>CTM 8741225</p>	<p>08.12.09 PENDING</p>	<p>12</p>	<p>Vehicles; land vehicles; electric vehicles; electric motor land vehicles; electric vehicle axles; electric motor vehicle bodies; brake pads and brake linings, all for vehicles; brake callipers, braking installations, bumper bars clutches differential gears, drive gears, drive shafts, engines and motors, fans for engines, gear change selectors, transmissions, transmission shafts, radiators, radiator caps, hydraulic cylinders and motors, couplings, carrying bearings and fan belts, all for vehicles; chassis for vehicles; manual and power steering apparatus, personal safety restraints, seats, sliding roofs, steering columns, all for vehicles; vehicle wheel hubs; vehicle wheels; deflectors, direction indicators, doors, hatches, upholstery, handles for doors, horns, mirrors (retrovisors), luggage carriers, ski carriers, mud-guards. anti-skid chains. head rests, safety belts, safety seats for children, mud-flaps, roof-racks, shock absorbers, springs, stabiliser bars, starter motors, steering wheels, steering linkages, suspensions, torsion bars, tow bars, windows, window winding mechanisms,</p>

				windscreen wipers, all for vehicles; arm rests for vehicles; balance weights for vehicle wheels; mechanical controls for engines, brakes, clutches accelerators and for transmissions, mountings for engines, all for vehicles; protective covers, radiator grilles, reservoirs for fluids, stowage boxes and stowage compartments, wheel carriers, all being parts of vehicles; trim panels for vehicle bodies; starters for vehicles; parts and fittings for electric motor land vehicles.
TESLA	CTM 5678479	09.02.07 PENDING	7	Anti-friction bearing for machines; anti-friction devices for motors and engines; ball-bearings; bearings for transmission shafts; bearings; belts for motors and engines; compressors for machines; connecting rods and control cables; connecting rods for machines, motors and engines; control cables for machines, engines or motors; control mechanisms for machines, engines or motors; controls (pneumatic) for machines, motors and engines; dynamo belts; dynamo brushes; dynamos; fans for motors and engines; fan belts for motors and engines; filters for cleaning cooling air (for engines); filters (parts of machines or engines); generators of electricity; lubricating pumps; lubricators (parts of machines); speed governors for machines, engines and motors; constant velocity joints; universal joints; all the aforesaid goods being components for use in automotive powertrains and/or electric vehicles.
			9	Apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity; data processing equipment and computers; computer software; electric batteries for vehicles; battery chargers; chargers for electric batteries; electric door closers; electric door openers; holders for electric coils; electricity indicators; plates for batteries; automatic indicators of low pressure in vehicle tyres; simulations for the steering and control of vehicles; speed checking apparatus for vehicles; speed indicators; navigation apparatus for vehicles; on board computers for vehicles; all the aforesaid goods for use in automotive powertrains or electric vehicles.
			12	Vehicles; land vehicles; electric vehicles; electric motor land vehicles; vehicle axles; electric motor vehicle bodies; brake pads

				<p>and brake linings, all for vehicles; brake callipers, braking installations, bumper bars, clutches, differential gears, drive gears, drive shafts, engines and motors, fans for engines, gear change selectors, transmissions, transmission shafts, radiators, radiator caps, hydraulic cylinders and motors, couplings, carrying bearings and fan belts, all for vehicles; chassis for vehicles; manual and power steering apparatus, personal safety restraints, seats, sliding roofs, steering columns, all for vehicles; vehicle wheel hubs; vehicle wheels; deflectors, direction indicators, doors, hatches, upholstery, handles for doors, horns, mirrors (retrovisors), luggage carriers, ski carriers, mud-guards, anti-skid chains, head rests, safety belts, safety seats for children, mud-flaps, roof-racks, shock absorbers, springs, stabiliser bars, starter motors, steering wheels, steering linkages, suspensions, torsion bars, tow bars, windows, window winding mechanisms, windscreen wipers, all for vehicles; arm rests for vehicles; balance weights for vehicle wheels; mechanical controls for engines, brakes, clutches, accelerators and for transmissions, mountings for engines, all for vehicles; protective covers, radiator grilles, reservoirs for fluids, stowage boxes and stowage compartments, wheel carriers, all being parts of vehicles; trim panels for vehicle bodies; starters for vehicles; parts and fittings for electric motor land vehicles.</p>
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b) The opponent relies upon the three marks above and contends that the mark in suit is confusingly similar to its pending trade marks as they all contain the distinctive and dominant element TESLA, and that the goods and services are similar or complimentary. The opponent contends that it has a reputation in the UK in its marks for cars and components for cars, merchandising and services relating to cars including financial services; that use of the mark in suit will take unfair advantage of this reputation and will diminish, dilute and blur the distinctiveness of the opponent's marks. The mark in suit therefore offends against Section 5(2)(b) and 5(3) of the Act.

c) The opponent also contends that it has used the mark TESLA in relation to cars and components for cars, merchandising and services relating to cars including financial services, "in the UK since June 2009. The opponent claims to have acquired reputation and goodwill under its TESLA marks. The applicant's mark contains the distinctive and dominant element TESLA and so use of the mark in suit

would amount to passing off and as such the mark in suit offends against Section 5(4)(a) of the Act.

4) On 21 May 2013 the applicant filed a counterstatement denying all the grounds. The applicant contends that the term TESLA is prima facie devoid of any distinctive character when used in relation to electric vehicles in classes 7, 9 & 12. It contends that the term is descriptive of such goods. The applicant also made a number of other points which I shall refer to as and when required in my decision.

5) Only the opponent filed evidence. Both parties seek an award of costs in their favour. Neither side wished to be heard but both parties provided written submissions which I shall refer to as and when required in my decision.

OPPONENT'S EVIDENCE

6) The opponent filed a witness statement, dated 21 November 2013, by Matthew Yun Huh the Senior Counsel of Tesla Motors Inc, a position he has held since November 2012. In addition to coordinating and supervising the opponent's trademarks worldwide he also advises marketing and communications personnel in related matters. He makes his statement based on his own knowledge and also the records of his company. He states that the company was founded in 2003, and that one of its founders was the well known entrepreneur Elon Musk who also founded Paypal. In 2008 Mr Musk took over as the CEO and Chairman of Tesla and has since received several awards for his business activities whilst in charge of Tesla. These include awards by magazines such as Forbes, Esquire, Times and Fortune and also being named Automotive Executive of the Year (Worldwide) in 2010. Mr Huh states that his company employs over 5,000 staff worldwide of which over 50 are based in the UK. The primary business of Tesla is said to be the design, manufacture and sale of electric cars and electric vehicle powertrain components. He provides information regarding stock market valuation and also a prospectus for investors but this would all appear to be based / aimed at investors in the USA, although there are a few instances of stories in the UK press regarding share prices. Mr Huh states that his company has 30 outlets in Europe and has two premises in the South of England. He states that the company has won many awards and accolades for its cars and its innovation, however, most of these appear to be from magazines etc. based in the USA. There is an exception and I have listed this in the exhibits below. He states that the company has achieved a great deal of press attention, including some in the UK.

7) Mr Huh states that the company delivered its first car in the UK in August 2009. He states that over 900 roadster-type cars were delivered within the EU, 60 in the UK, before the model was dropped at the end of 2011. The company also offers a saloon-type vehicle which has been available since April 2009. He states that the vehicles have received considerable press attention in the UK and have been offered for sale via the opponent's showroom in London. The company showed its car at the Goodwood Festival of Speed and it has also featured on the very popular television programme *Top Gear* with a test of the car and also several mentions in other episodes. The car

has also been reported on by *Autocar*, *Autoexpress* and *Car magazines*. He provides the following exhibits:

- YH8: pages from the opponent's internet site. This shows that it offers a small range of electric cars for sale to the general public. These pages would appear to be dated 22 November 2013.
- YH22: Tesla roadster wins the UK WhatCar Green Awards 2009, Editor's Award.
- YH42: Copies of stories from the *Telegraph*, *Sunday Telegraph*, *Sunday Express*, *The Times*, *Daily Mail*, *Sunday Mirror*, *New Scientist*, *Independent*, *The Observer*, *The Economist*, *Evening Standard*, *Metro*, *Daily Express*, *The Mirror*, and *The Guardian*, which mention Tesla Motors and its products, are about other car manufacturers or about TESLA CEO Mr Musk and his other business ventures, where Tesla Motors is also mentioned. These are dated between 14 December 2010 and 30 August 2012.
- YH43 /44: Copies from internet sites showing a Tesla Motors Club which has a UK forum with details of reviews by motoring journalists and lists of electric vehicle friendly hotels etc. in the UK.

8) Mr Huh filed a huge volume of exhibits and his statement was eleven pages long. Most of the exhibits are of little or no assistance to me in my decision and there is a hopeless lack of focus with newspaper stories appearing in numerous exhibits instead of being placed in date order in a single exhibit. Details such as the readership or circulation of papers and magazines was also scattered across the evidence amongst articles of little relevance. It appeared to be a case of never mind the quality feel the width.

9) That concludes my summary of the evidence filed, insofar as I consider it necessary.

DECISION

10) As the opponent's CTMs have not yet been registered I shall first consider the ground under Section 5(4)(a) which reads:

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

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

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

11) In deciding whether the marks in question offend against this section, I intend to adopt the guidance given by the Appointed Person, Mr Geoffrey Hobbs QC, in the *WILD CHILD* case [1998] RPC 455. In that decision, Mr Hobbs stated that:

“The question raised by the grounds of opposition is whether normal and fair use of the designation WILD CHILD for the purposes of distinguishing the goods of interest to the applicant from those of other undertakings (see section 1(1) of the Act) was liable to be prevented at the date of the application for registration (see Article 4(4)(b) of the Directive and section 40 of the Act) by enforcement of rights which the opponent could then have asserted against the applicant in accordance with the law of passing off.

A helpful summary of the elements of an action for passing off can be found in Halsbury’s Laws of England (4th Edition) Vol. 48 (1995 reissue) at paragraph 165. The guidance given with reference to the speeches in the House of Lords in *Reckitt & Colman Products Ltd v. Borden Inc.* [1990] R.P.C. 341 and *Erven Warnink BV v. J. Townend & Sons (Hull) Ltd* [1979] AC 731 is (with footnotes omitted) as follows:

‘The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:

(1) that the plaintiff’s goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;

(2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by the defendant are goods or services of the plaintiff; and

(3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant’s misrepresentation.

12) First I must determine the date at which the opponent’s claim is to be assessed; this is known as the material date. In this regard, I note the judgment of the General Court (GC) in *Last Minute Network Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Joined Cases T-114/07 and T-115/07*. In that judgment the GC said:

“50 First, there was goodwill or reputation attached to the services offered by LMN in the mind of the relevant public by association with their get-up. In an action for passing off, that reputation must be established at the date on which the defendant began to offer his goods or services (*Cadbury Schweppes v Pub Squash* (1981) R.P.C. 429).

51 However, according to Article 8(4) of Regulation No 40/94 the relevant date is not that date, but the date on which the application for a Community trade mark

was filed, since it requires that an applicant seeking a declaration of invalidity has acquired rights over its non registered national mark before the date of filing, in this case 11 March 2000.”

13) The filing date of the application (13 September 2012) is, therefore, the material date. However, if the applicant has used their trade mark prior to this then this use must also be taken into account. It could, for example, establish that the applicant is the senior user, or that there had been common law acquiescence, or that the status quo should not be disturbed; any of which could mean that the applicant’s use would not be liable to be prevented by the law of passing-off – the comments in Croom’s Trade Mark Application [2005] RPC 2 and Daimlerchrysler AG v Javid Alavi (T/A Merc) [2001] RPC 42 refer.” There is no evidence that the applicant has used its mark.

14) I note that the applicant has not challenged the opponent’s evidence either by filing evidence or even in its submissions. I take into account the comments of Mr Arnold Q.C (as he was) when acting as the Appointed Person in *Extreme* BL/161/07 where he commented on the issue of unchallenged evidence and cross examination:

“Unchallenged evidence

33. *Phipson on Evidence* (16th ed) states at paragraph 12-12:

In general a party is required to challenge in cross-examination the evidence of any witness of the opposing party if he wishes to submit to the court that the evidence should not be accepted on that point. The rule applies in civil cases as it does in criminal. In general the CPR does not alter that position.

This rule [sic] serves the important function of giving the witness the opportunity of explaining any contradiction or alleged problem with his evidence. If a party has decided not to cross-examine on a particular important point, he will be in difficulty in submitting that the evidence should be rejected.

However the rule is not an inflexible one...

34. The authority cited in support of this statement of the law is the decision of the House of Lords in *Browne v Dunn* (1894) 6 R 67. The relevant passages from the speeches are set out in the judgment of Hunt J in *Allied Pastoral Holdings v Federal Commissioner of Taxation* (1983) 44 ALR 607, the material parts of which are quoted in the judgment of the Court of Appeal in *Markem Corp v Zipher Ltd* [2005] EWCA Civ 267, [2005] RPC 31 at [59]-[60].

35. In my judgment the learned editors of *Phipson* are correct to say that the rule is not an inflexible one. There are at least two well-established exceptions to it. The first is that, as the speech of Lord Herschell LC in *Browne v Dunn* makes clear, it may not be necessary to cross-examine on a point if the witness has been given full notice of it before making his statement. As I pointed out in *BRUTT Trade Marks* [2007] RPC 19 at [23], this may be significant in registry proceedings where

evidence is given sequentially. The second is that a court is not obliged to accept a witness's evidence in the absence of cross-examination if it is obviously incredible: see *National Westminster Bank plc v Daniel* [1993] 1 WLR 1453.

36. Where, however, evidence is given in a witness statement filed on behalf of a party to registry proceedings which is not obviously incredible and the opposing party has neither given the witness advance notice that his evidence is to be challenged nor challenged his evidence in cross-examination nor adduced evidence to contradict the witness's evidence despite having had the opportunity to do so, then I consider that the rule in *Brown v Dunn* applies and it is not open to the opposing party to invite the tribunal to disbelieve the witness's evidence.

37. Despite this, it is not an uncommon experience to find parties in registry hearings making submissions about such unchallenged evidence which amount to cross-examination of the witness in his absence and an invitation to the hearing officer to disbelieve or discount his evidence. There have been a number of cases in which appeals have been allowed against the decisions of hearing officers who have accepted such submissions. Two recent examples where this appears to have happened which were cited by counsel for the proprietor are *Score Draw Ltd v Finch* [2007] EWHC 462 (Ch), [2007] BusLR 864 and *EINSTEIN Trade Mark* (O/068/07). Another recent example is *Scholl Ltd's Application* (O/199/06). I consider that hearing officers should guard themselves against being beguiled by such submissions (which is not, of course, to say that they should assess evidence uncritically)."

15) Despite my stated reservations regarding much of the opponent's evidence it is very clear that prior to the end of 2011 the company had sold 60 roadster cars and was offering its saloon car for sale. The cars and the company had also, by the material date, received considerable coverage in the UK media, particularly in newspapers and magazines which enjoy significant circulation figures such that I have no hesitation in stating that the opponent had goodwill and reputation for cars in the UK at the material date under its mark. Although the evidence shows it has a trade in electric cars, its goodwill and reputation would extend further as in addition the company were offering repair and maintenance services to customers. From my own knowledge I am aware that car dealerships also tend to offer financing as vehicles tend to be very expensive items, usually the second most expensive purchase after a house that a consumer makes.

16) It is well established that it is not necessary for the parties to a passing-off action to be in the same area of trade or even a related area of trade. The point can be supported by reference to the following passage from Millet L.J.'s judgment in *Harrods Ltd v Harrodian School Ltd* [1996] RPC 697:

"There is no requirement that the defendant should be carrying on a business which competes with that of the plaintiff or which would compete with any natural extension of the plaintiff's business. The expression "common field of activity" was

coined by Wynn-Parry J. in *McCulloch v May* [1948] 65 RPC 58 when he dismissed the plaintiff's claim for want of this factor. This was contrary to numerous previous authorities (see, for example, *Eastman Photographic Materials Co. Ltd v John Griffiths Cycle Corporation Ltd* (1898) 15 RPC 105 (cameras and bicycles); *Walter v Ashton* (1902) 2 Ch. 282 (The Times Newspaper and bicycles) and is now discredited. In the *Advocaat* case Lord Diplock expressly recognised that an action for passing-off would lie although "the plaintiff and the defendant were not competing traders in the same line of business". In the *Lego* case Falconer J. acted on evidence that the public had been deceived into thinking that the plaintiffs, who were manufacturers of plastic toy construction kits, had diversified into the manufacture of plastic irrigation equipment for the domestic garden. What the plaintiff in an action for passing-off must prove is not the existence of a common field of activity but likely confusion among the common customers of the parties.

The absence of a common field of activity, therefore is not fatal; but it is not irrelevant either. In deciding whether there is a likelihood of confusion, it is an important and highly relevant consideration."

17) Also:

"It is not in my opinion sufficient to demonstrate that there must be a connection of some kind between the defendant and the plaintiff, if it is not a connection which would lead the public to suppose that the plaintiff has made himself responsible for the quality of the defendant's goods or services."

18) And:

"Passing off is a wrongful invasion of a right of property vested in the plaintiff, but the property which is protected in an action for passing off is not the plaintiff's proprietary right in the name or get-up which the defendant has misappropriated but the goodwill and reputation of the business which is likely to be harmed by the defendant's misrepresentations."

19) Although the applicant did not provide any evidence it did provide submissions. These were very lengthy and tended to focus initially on the registrability of the opponent's marks. It was stated that Nikola Tesla invented a unit of measurement for the power output of an electric motor and the unit is known as a "tesla". It is claimed that the word "tesla" on its own describes an electric vehicle. It is claimed that these facts are well known by the general public. Whilst I accept the contention regarding the existence of the unit of measurement I do not accept, and crucially, no evidence has been submitted to support the other contentions. The applicant contended that the opponent's marks were similar to the registration of "cola" for cola, "litre" for paint or "cotton" for use on shirts. In each scenario it is stated that a monopoly would be given to one trader to the disadvantage of other traders wishing to use a descriptive term in a legitimate manner. To my mind, neither of these examples are on all fours with the

instant case. Reference is also made to Section 3 of the Act and whether the opponent's marks can be registered. This is not a question for this Tribunal as the marks relied upon by the opponent are being applied for with OHIM.

20) Interestingly, the applicant also seeks to establish clear blue water between its activities and those of the opponent. The applicant states:

“We are not in the business of manufacturing vehicles and are solely concerned with taxi apps and taxi services, which would leave no doubt in the public mind as to cause any confusion with a Tesla Motors Inc or any of the other identical registered trademarks by 16 other International companies utilising the trademark “Tesla”.”

21) The initial part of this statement is fatally undermined by the fact that the applicant has sought to register its mark for, inter alia, vehicles in class 12. However, it does bring into question the veracity of the applicant's statement. The applicant refers to trade marks registered around the world which include the term “TESLA”. A list of such marks is provided as part of the submissions. Naturally there is no indication of any use of these marks anywhere let alone in the UK/EU. Such “evidence” is usually termed state of the register evidence. In *British Sugar plc v James Robertson & Sons Ltd* [1996] RPC 28 Jacob J. said:

“It has long been held under the old Act that comparison with other marks on the register is in principle irrelevant when considering a particular mark tendered for registration, see e.g. *MADAME* Trade Mark [1966] RPC 541 and the same must be true under the 1994 Act.”

22) In *Digipos Store Solutions v Digit International* [2008] RPC 24 Mr Alexander Q.C acting as a Deputy Judge of the High Court commented:

“63 That was said in the context of a case where absolute grounds were relied on as the basis for refusing registration. However, in the present case, this material is not relied on in support of an argument that a mark which shares characteristics with those already registered should, for that reason, also be registered: the register is not relied on for its precedent value, in my judgment, rightly so. The register is not in this case deployed to show actual use of the marks recorded there either: for that purpose too, it would be of limited, if any, evidential value. Instead, the register is relied upon to show that, as a matter of fact, a significant number of traders have expressed the intention of using (and *may* be using) the prefix DIGI- as part of a mark in relation to class 9 goods which (one is invited to infer, in the absence of detailed specifications) involve a digital or computer-related element. It does not seem to me to be illegitimate, as a matter of principle, to deploy material of this kind for that limited purpose and, for that purpose, it is of some value as part of a larger body of material.”

23) However, in *GfK AG v Office for Harmonization in the Internal Market (Trade Marks and Designs)* (OHIM) Case T-135/04 the General Court (GC) stated:

“68. As regards the search of the Cedex database, the mere fact that a number of trade marks relating to Class 35 contain the word ‘bus’ is not enough to establish that the distinctive character of that element has been weakened because of its frequent use in the field concerned. Firstly, the search in question does not provide any information on the trade marks actually used in relation to the services concerned. Secondly, it includes a number of trade marks in which the word ‘bus’ is used descriptively by public transport businesses.”

24) This was a view re-iterated by the GC in *Zero Industry Srl v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-400/06.* In *Digipos* Mr Alexander was not referred to the judgment of the GC in *GfK AG*. I also note that in his learned judgment Mr Alexander referred to the *Madame* case being an absolute grounds case and appeared to consider this of some significance. The GC cases referred to above are relative grounds cases; clearly the GC considered that the principle of not giving weight to state-of-the-register evidence also applies in cases involving relative grounds issues. I therefore regard the state of the register evidence to be irrelevant.

25) I now move onto the issue of misrepresentation. The applicant has made a number of claims in its submissions regarding the similarity of the two parties’ marks. In addition to the previously mentioned claims that the word “Tesla” would be seen as a noun relating to the inventor or unit of measurement the applicant contends:

“The use of the invented word TESLACAB is an invented word and uniquely identifiable and if one wished to separate the component parts has evolved into an adjective is conceptually, completely unrelated.

Alternatively the mark could be interpreted as an acronym depending on the imagination of the expert.

This all presupposes that the average member of the public would break down the invented word into its component parts, furthermore that the member of public would break down the invented word into the oppositions [sic] suggested parts TESLA and CAB.

Under the same presumption of the opponent. It is also feasible that a member of the public might separate the mark TESLACAB into:

TESL (an acronym for education) and ACAB (referring to a taxi). Attracting foreign students using a familiar acronym.

Alternatively a member of the public might separate the mark TESLACAB into: TESLAC (a steroid) and AB (indicating travelling from A to B). Indicating a taxi service with heightened (or steroid fuelled) service. Getting from A to B fast.”

26) All of these contentions by the applicant are based upon the mark being used on a taxi service or associated services. To my mind, if the mark TESLACAB were to be used on any services associated with the provision of a taxi then the average consumer which would be the general public, including businesses, would split the mark into the words “tesla” and “cab”. The term “tesla” being known as a trade mark for electric cars would immediately cause the average consumer to assume that the mark indicated that the opponent’s cars were being used as zero emission taxis, something which, as the applicant acknowledges, is a well known goal of authorities such as the Mayor of London. I regard the applicant’s suggestions of other ways of considering the mark as pure speculation and do not intend to comment further upon them. Clearly, the use of the mark applied for in relation to any goods or services which are connected to cars will cause misrepresentation. I must now decide which goods and services fall into this category. I shall consider each class applied for separately.

27) The applicant has stated that its main business goal is a telephone application to order an electric rather than petroleum powered taxi. Such an item would fall within class 9 as an item of software. In the case of Roger Maier and ASSOS of Switzerland SA v ASOS Plc and ASOS.com Ltd [2014] EWHC 123 (Ch) Mrs Justice Rose stated:

“The list of items covered by the ASOS UK mark includes bodysuits, sports shirts and sports shorts and leggings. I would be concerned if ASOS at some point sought to take advantage of the similarity of the marks and the breadth of the items listed in their registration to market specialist cycling gear. I note the discussion of the **POSTKANTOOR** principle by Arnold J in his judgment in Omega Engineering Incorporated v Omega SA [2012] EWHC 3440 (Ch), paragraphs 43 onwards. That principle determines the ability of a competent authority to carve out from a wide class of goods a smaller category not to be included in the registration. The Court of Justice in the **POSTKANTOOR** case, Case C-363/99 Koninklijke KPN Nederland NV v Benelux-Merkenbureau [2004] ECR I-1619, drew a distinction between seeking to register marks only in so far as the goods concerned ‘do not possess a particular characteristic’ which is not permissible and registering the mark only in respect of some of the goods belonging to the wider class which is permissible. Arnold J referred to the difficulties that had been caused by the application of the Court’s ruling in deciding whether a particular proposed carve out from the wider class amounts to the permissible excising a particular product from the class or the impermissible attempt to identify a characteristic of the class of products.

12. In the light of the case law discussed in Omega I consider that it would be permissible and also appropriate to make the following adjustments to the current specification of the ASOS UK mark:

- i) To limit the goods covered by Class 3 to exclude preparations for the treatment or prevention of ailments associated with cycling and cleaning products for specialist cycling clothes; and

ii) To limit the goods covered by Class 25 to exclude specialist clothing for racing cyclists.

13. The third scenario I have considered is if ASOS produced a range of ordinary casual clothes with their mark prominently displayed on it and some clear association with cycling or, say, with the Swiss Cycling Federation. For example, if ASOS sold a t-shirt with the prominent slogan **ASOS** All the best cyclists wear **ASOS** on the front, would that count as a fair, notional use of the UK mark from which Assos is entitled to protection and, if not, should that lead me to conclude that the ASOS mark should be cut back to exclude t-shirts? In the light of the **POSTKANTOOR** principle, it is not possible to exclude from the wording of the ASOS UK mark t-shirts or tracksuits targeted at cyclists or associated in some way with cycling. However, such use would start to stray into the territory of passing off. Assos would not be precluded from bringing an action in passing off by the mere fact that ASOS' UK trade mark continues to apply to t-shirts and tracksuits."

28) I can see no way of either blue lining or amending the wording of the Class 9 specification which would meet the POSTKANTOOR principle. I therefore intend to add the proviso "excluding any goods for use with vehicles or in relation to vehicles or transport services".

29) Turning to the goods in Class 12, it is clear that the whole of this specification would cause misrepresentation with the exception of "apparatus for locomotion by air or water".

30) Of the Class 35 services applied for, I believe that only "retail services connected with the sale of vehicles" would cause misrepresentation.

31) Of the Class 36 services, a restriction is required in relation to "financial services; building society services; banking; financial services provided via the Internet; provision of financial information" I therefore propose to add the proviso "excluding any services in relation to vehicles".

32) In relation to the services in Class 39, I believe that use of the mark applied for in relation to "Transport; travel arrangement" would cause misrepresentation.

33) Lastly, in relation to the Class 41, services I do not believe that use of the mark applied for on any of the services sought would cause misrepresentation.

34) For the avoidance of doubt, I should make it clear that the applicant's stated aim of using the mark TESLACAB in relation to a telephone application concerned with taxi services would clearly be a case of misrepresentation because it would be taken as indicating an economic connection between the party marketing the software and the business responsible for the trade in TESLA vehicles.

DAMAGE

35) The applicant has not provided any evidence that it has used its mark. In a *quia timet* action it is clearly not possible to show that damage has been suffered. In *Draper v Trist and Trisbestos Brake Linings Ltd* 56 RPC 429 Goddard L.J. stated:

“But in passing-off cases, the true basis of the action is that the passing-off by the defendant of his goods as the goods of the plaintiff injures the right of property in the plaintiff, that right of property being his right to the goodwill of his business. The law assumes, or presumes, that if the goodwill of a man’s business has been interfered with by the passing-off of goods, damage results therefrom. He need not wait to show that damage has resulted, he can bring his action as soon as he can prove passing-off; because it is one of the class of cases in which the law presumes that the Plaintiff has suffered damage. It is in fact, I think, in the same category in this respect as an action for libel. We know that for written defamation a plaintiff need prove no actual damage. He proves his defamation. So, with a trader; the law has always been particularly tender to the reputation and goodwill of traders. If a trader is slandered in the way of his business, an action lies without proof of damage.”

36) Consequently, in the instant case, as the opponent has established a goodwill and shown deception then damage can be considered as the automatic sequitur in relation to the goods in class 12 and the three elements of the classic trinity of passing-off will have been established. The use of the mark in suit in relation to the other goods and services will erode the distinctiveness of the earlier marks and/or result in a loss of control of the goodwill associated with TESLA. **The opposition under Section 5(4) therefore succeeds in respect of those goods and services as shown in paragraphs 28-34.**

37) The above findings have the result of reducing the applicant’s specification to the following:

In Class 9: Scientific, nautical, surveying, photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), life-saving and teaching apparatus and instruments; apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity; apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, recording discs; compact discs, DVDs and other digital recording media; mechanisms for coin-operated apparatus; cash registers, calculating machines, data processing equipment, computers; computer software; fire-extinguishing apparatus; excluding any goods for use with vehicles or in relation to vehicles.

In Class 12: Apparatus for locomotion by air or water;

In Class 35: Advertising; business management; business administration; office functions; electronic data storage; organisation, operation and supervision of loyalty and incentive schemes; advertising services provided via the Internet; production of television and radio advertisements; accountancy; auctioneering; trade fairs; opinion polling; data processing; provision of business information; retail services connected with the sale of computer software.

In Class 36: Financial services; building society services; banking; financial services provided via the Internet; provision of financial information excluding any services in relation to vehicles. Issuing of tokens of value in relation to bonus and loyalty schemes; insurance; real estate agency services; stockbroking.

In Class 39: Packaging and storage of goods; distribution of electricity; travel information; provision of car parking facilities.

In Class 41: Education; providing of training; entertainment; sporting and cultural activities.

38) I shall next consider the position under Section 5(2)(b) which reads:

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

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

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

39) An “earlier trade mark” is defined in section 6, the relevant part of which states:

“6.-(1) In this Act an “earlier trade mark” means -

- (a) a registered trade mark, international trade mark (UK) or Community trade mark which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks.”

40) The opponent’s CTM applications are still pending and so a definitive answer cannot be provided. However, a provisional finding can be made on the assumption that the opponent’s applications succeed in being registered for all of the goods and services applied for. The opponent is relying upon its trade marks listed in paragraph 3 above which will, if registered, become earlier trade marks. To my mind the opponent’s

mark CTM 5678479 provides it with its strongest overall case and so my comparison will only consider this mark of the opponent. Given that the opponent's mark is not yet registered The Trade Marks (Proof of Use, etc) Regulations 2004 do not apply.

41) When considering the issues under Section 5(2) and the likelihood of confusion, I take into account the guidance from the settled case law provided by the CJEU in *Sabel BV v Puma AG* [1998] RPC 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77 and *Marca Mode CV v Adidas AG & Adidas Benelux BV* [2000] E.T.M.R. 723, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH* C-120/04 and *Shaker di L. Laudato & C. Sas v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* C-334/05 P (LIMONCELLO). In the recent case of *La Chemise Lacoste SA v Baker Street Clothing Ltd* [ALLIGATOR O/333/10) Mr Hobbs QC acting as the Appointed Person set out the test shown below which was endorsed by Arnold J. in *Och-Ziff Management Europe Ltd and Oz Management Lp v Och Capital LLP; Union Investment Management Ltd & Ochocki*, [2010] EWCH 2599 (Ch).

(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/ 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; 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;

(e) 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 in that mark;

(f) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa;

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

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

(i) 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;

(j) if the association between the marks causes the public to wrongly believe that the respective goods or services come from the same or economically linked undertakings, there is a likelihood of confusion.

Distinctive character of the opponent's earlier trade marks

42) The opponent has provided limited evidence of use of its mark in the EU/UK. However it has a degree of reputation and would benefit from an enhanced distinctiveness as I found earlier in this decision. The mark applied for covers a wide range of goods and services all of which would appear to centre around electric cars and parts and fittings therefor. The mark consists of the word TESLA and has, I believe, a reasonable level of inherent distinctiveness for the goods for which it is proposed to be registered.

The average consumer and the nature of the purchasing process

43) I must now determine the average consumer for the goods and services of the parties. The opponent's goods are, broadly speaking, electric cars and parts and fittings therefor. It is well established that cars are not purchased without considerable thought and research, not least because they are very expensive. Similarly, parts and fittings have to be of the correct type in order to fit the vehicle and so again are not purchased without considerable thought. Initially, selection will be predominantly by eye from advertisements, the internet etc., although word of mouth recommendations may also have a part to play. I would then expect a face to face meeting to occur with the dealer selling the vehicle and normally a test drive being undertaken.

44) The goods and services applied for by the applicant are widely varied covering considerable swathes of business such that it would be unusual to find a single business offering such a variety of goods and services. However, it is clear that a number of the goods and services would be aimed at the general public including businesses whilst others, such as scientific instruments, are aimed at a far more select group of consumers. None of the items set out in paragraph 1 above are the proverbial "bag of sweets". All would be purchased with a degree of care which would range considerably depending on what goods or services were being considered. Similarly, visual and aural considerations would vary in importance in the selection process.

Comparison of goods and services

45) For ease of reference I reproduce the specifications of both parties:

Applicant's specification	Opponent's specification
	<p>In Class 7: Anti-friction bearing for machines; anti-friction devices for motors and engines; ball-bearings; bearings for transmission shafts; bearings; belts for motors and engines; compressors for machines; connecting rods and control cables; connecting rods for machines, motors and engines; control cables for machines, engines or motors; control mechanisms for machines, engines or motors; controls (pneumatic) for machines, motors and engines; dynamo belts; dynamo brushes; dynamos; fans for motors and engines; fan belts for motors and engines; filters for cleaning cooling air (for engines); filters (parts of machines or engines); generators of electricity; lubricating pumps; lubricators (parts of machines); speed governors for machines, engines and motors; constant velocity joints; universal joints; all the aforesaid goods being components for use in automotive powertrains and/or electric vehicles.</p>
<p>In Class 9: Scientific, nautical, surveying, photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), life-saving and teaching apparatus and instruments; apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity; apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, recording discs; compact discs, DVDs and other digital recording media; mechanisms for coin-operated apparatus; cash registers, calculating machines, data processing equipment,</p>	<p>In Class 9: Apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity; data processing equipment and computers; computer software; electric batteries for vehicles; battery chargers; chargers for electric batteries; electric door closers; electric door openers; holders for electric coils; electricity indicators; plates for batteries; automatic indicators of low pressure in vehicle tyres; simulations for the steering and control of vehicles; speed checking apparatus for vehicles; speed indicators; navigation apparatus for</p>

<p>computers; computer software; fire-extinguishing apparatus.</p>	<p>vehicles; on board computers for vehicles; all the aforesaid goods for use in automotive powertrains or electric vehicles.</p>
<p>In Class 12: Vehicles; apparatus for locomotion by land, air or water; wheelchairs; motors and engines for land vehicles; vehicle body parts and transmissions.</p>	<p>In Class 12: Vehicles; land vehicles; electric vehicles; electric motor land vehicles; vehicle axles; electric motor vehicle bodies; brake pads and brake linings, all for vehicles; brake callipers, braking installations, bumper bars, clutches, differential gears, drive gears, drive shafts, engines and motors, fans for engines, gear change selectors, transmissions, transmission shafts, radiators, radiator caps, hydraulic cylinders and motors, couplings, carrying bearings and fan belts, all for vehicles; chassis for vehicles; manual and power steering apparatus, personal safety restraints, seats, sliding roofs, steering columns, all for vehicles; vehicle wheel hubs; vehicle wheels; deflectors, direction indicators, doors, hatches, upholstery, handles for doors, horns, mirrors (retrovisors), luggage carriers, ski carriers, mud-guards, anti-skid chains, head rests, safety belts, safety seats for children, mud-flaps, roof-racks, shock absorbers, springs, stabiliser bars, starter motors, steering wheels, steering linkages, suspensions, torsion bars, tow bars, windows, window winding mechanisms, windscreen wipers, all for vehicles; arm rests for vehicles; balance weights for vehicle wheels; mechanical controls for engines, brakes, clutches, accelerators and for transmissions, mountings for engines, all for vehicles; protective covers, radiator grilles, reservoirs for fluids, stowage boxes and stowage compartments, wheel carriers, all being parts of vehicles; trim panels for vehicle bodies; starters for vehicles; parts and fittings for electric motor land vehicles.</p>
<p>In Class 35: Advertising; business management; business administration; office functions; electronic data storage; organisation, operation and supervision of loyalty and incentive schemes; advertising services provided via the Internet; production of television and radio advertisements; accountancy; auctioneering; trade fairs; opinion polling; data processing; provision of business information; retail services connected with the sale of vehicles and computer software.</p>	
<p>In Class 36: Insurance; financial services; real estate agency services; building society services; banking; stockbroking;</p>	

financial services provided via the Internet; issuing of tokens of value in relation to bonus and loyalty schemes; provision of financial information.	
In Class 39: Transport; packaging and storage of goods; travel arrangement; distribution of electricity; travel information; provision of car parking facilities.	
In Class 41: Education; providing of training; entertainment; sporting and cultural activities.	

46) The accepted test for comparing goods and services is that set out by Jacob J. in *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 28 TREAT, which was effectively endorsed by the Advocate General in *Canon*; ETMR 1. The factors to be taken into account are:

- a) The respective uses of the respective goods and services;
- b) The respective users of the respective goods and services;
- c) The physical nature of the goods and services;
- d) The respective trade channels through which the goods and 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 and 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 in the same or different sectors.

47) I also take into account the comments of Jacob J. in *Avnet Incorporated v. Isoact Ltd* [1998] FSR 16 where he said:

“In my view, specifications for services should be scrutinised carefully and they should not be given a wide construction covering a vast range of activities. They should be confined to the substance, as it were, the core of the possible meanings attributable to the rather general phrase.”

48) I also take into account the following guidance of the GC in *Gérard Meric v OHIM*, T-133/05:

“29 In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by the trade mark application (Case T-388/00 Institut für Lernsysteme v OHIM – Educational Services (ELS) [2002] ECR II-4301, paragraph 53) or when the goods designated by the trade mark application are included in a more general

category designated by the earlier mark (Case T-104/01 Oberhauser v OHIM – Petit Liberto (Fifties) [2002] ECR II-4359, paragraphs 32 and 33; Case T-110/01 Vedial v OHIM – France Distribution (HUBERT) [2002] ECR II-5275, paragraphs 43 and 44; and Case T- 10/03 Koubi v OHIM – Flabesa (CONFORFLEX) [2004] ECR II-719, paragraphs 41 and 42).”

49) The question of complementary goods/services has been considered by the GC in *Boston Scientific Ltd v Office for Harmonization in the Internal Market* (Trade Marks and Designs) (OHIM) Case T- 325/06. The GC stated:

“It is true that goods are complementary if 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 (see, to that effect, Case T-169/03 Sergio Rossi v OHIM – Sissi Rossi (SISSI ROSSI) [2005] ECR II-685 , paragraph 60, upheld on appeal in Case C-214/05 P Rossi v OHIM [2006] ECR I-7057 ; Case T-364/05 Saint-Gobain Pam v OHIM – Propamsa (PAM PLUVIAL) [2007] ECR II-757 , paragraph 94; and Case T-443/05 El Corte Inglés v OHIM – Bolaños Sabri (PiraÑAM diseño original Juan Bolaños) [2007] ECR I-0000 , paragraph 48).”

50) However, in the cases *Sandra Amalia Mary Elliott v LRC Products Limited* (and cross opposition) [BL O-255-13] in respect of the marks LUV and LOVE respectively Mr Alexander Q.C. acting as the Appointed Person said:

“15 A formulation of the law by the same Hearing Officer in very similar terms was accepted without criticism by either party or by Floyd J (as he then was) *Youview TV Ltd v Total Ltd* [2012] EWHC 3158 (Ch) and the Hearing Officer's statement of the law cannot be faulted.

16 However, because of the particular grounds of appeal in this case, which did not arise in the *Youview* case, it is necessary to make three observations about that summary as it applies to the present case.

17 First, the starting point for the analysis of similarity is the wording of the Act and the Directive. These require the tribunal to determine whether or not the respective goods are “identical or similar” but they do not specify the criteria by reference to which similarity is to be assessed. In the well-established guidance from the Court of Justice on this issue originating in *Canon* , to which the Hearing Officer referred, the Court has not suggested that every case requires assessment of whether the respective goods or services are complementary. To the contrary, the Court has regularly made it clear that all relevant factors relating to the goods or services themselves should be taken into account, of which complementarity is but one (see e.g. in *Boston*).

18 Second, the concept of complementarity is itself not without difficulty. In a number of cases, reference to it does not make the assessment of similarity

easier. If tribunals take the explanation of the concept in Boston as akin to a statutory definition, it can lead to unprofitable excursions into matters such as the frequency with which certain goods are used with other goods and whether it is possible for one to be used without the other. That analysis is sometimes of limited value because the purpose of the test, taken as a whole, is to determine similarity of the respective goods in the specific context of trade mark law. It may well be the case that wine glasses are almost always used with wine – and are, on any normal view, complementary in that sense — but it does not follow that wine and glassware are similar goods for trade mark purposes.

19 Third, the Hearing Officer said at [32]:

As stated above, the legal definition of ‘complementary’, as per Boston , is that the goods must be “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”. It is not sufficient that the goods “can” be used together; nor is it sufficient that they are sold together.

20 In my judgment, the reference to “legal definition” suggests almost that the guidance in Boston is providing an alternative quasi-statutory approach to evaluating similarity, which I do not consider to be warranted. It is undoubtedly right to stress the importance of the fact that customers may think that responsibility for the goods lies with the same undertaking. However, it is neither necessary nor sufficient for a finding of similarity that the goods in question must be used together or that they are sold together. I therefore think that in this respect, the Hearing Officer was taking too rigid an approach to Boston .

21 Moreover, it is necessary to view the quotation from Boston in the context of the facts of that case where the dispute over similarity turned in part on whether the goods were used together for a rather specific medical procedure. The Court of First Instance said at [77]-[87]:

Similarity between the products

77 According to consistent case-law, in order to assess the similarity of the products or services concerned, all the relevant features of the relationship that might exist between those products or services should be taken into account. Those factors include, in particular, their nature, their intended purpose, their method of use and whether they are in competition with each other or are complementary (Sunrider v OHIM , paragraph 27 above, paragraph 85; judgment of 15 March 2006 in Case T-31/04 Eurodrive Services and Distribution v OHIM — Gómez Frías (euroMASTER) , paragraph 31).

78 As regards the assessment of the similarity of the goods at issue, the Board of Appeal found, in paragraphs 22 to 24 of the contested decision,

that, owing to their functional differences, apparatus for placing a suture, on the one hand, and hollow fibre oxygenators with detachable hard-shell reservoir, on the other hand, have a different method of use, are not in competition with each other and are not interchangeable. However, the Board found, in essence, that the goods at issue were closely linked to the goods of the intervener in so far as they had a certain complementary character, since they could be used simultaneously in the field of medicine, for example during surgery. They might also be purchased through the same distribution channels and be found in the same points of sale, so that the relevant public could be led to believe that they came from the same undertaking.

79 Those findings must be upheld.

80 In this respect, it must be noted that the goods bearing the earlier trade mark and those covered by the mark applied for both concern the medical field and are therefore intended to be used in the context of a therapeutic treatment.

81. In addition, as the Board of Appeal rightly pointed out, all the goods covered by the mark applied for have a certain complementary relationship with those bearing the earlier trade mark.

82. It is true that goods are complementary if 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 (see, to that effect, Case T-169/03 Sergio Rossi v OHIM — Sissi Rossi (SISSI ROSSI) [2005] ECR II-685 , paragraph 60, upheld on appeal in Case C-214/05 P Rossi v OHIM [2006] ECR I-7057 ; Case T-364/05 Saint-Gobain Pam v OHIM — Propamsa (PAM PLUVIAL) [2007] ECR II-757 , paragraph 94; and Case T-443/05 El Corte Inglés v OHIM — Bolaños Sabri (PiraÑAM diseño original Juan Bolaños) [2007] ECR I-0000 , paragraph 48).

83. It is also true that, as OHIM moreover acknowledged, apparatus for placing a suture cannot be considered to be indispensable or important for the use of hollow fibre oxygenators with detachable hard-shell reservoir.

84. However, it is clear that apparatus for placing a suture and hollow fiber oxygenators with detachable hard-shell reservoir can be considered to be complementary where, in surgery which has required an incision and during which an oxygenator has been used, the surgeon uses apparatus for placing a suture. Thus, in the course of a single, very specific procedure, namely a surgical operation, two apparatus, namely an oxygenator and apparatus for placing a suture, might be used, one bearing the trade mark CAPIOX and the other the trade mark CAPIO.

85. It follows that, even though the applicant claims that the goods at issue cannot be considered to be similar simply because they are both used in the field of medicine, which, according to the applicant, is the case of nearly all goods of significance, the goods at issue are similar because they are in fact in a certain complementary relationship and specifically target certain professionals in the medical sector. In addition, in the present case, contrary to what the applicant claims, the goods at issue are not similar solely because they are used in the field of medicine, but because they could be used in the same, very specific surgical operation, namely open-heart surgery.

86. Finally, the products at issue can in fact be found in the same distribution channels, such a criterion being relevant for the purposes of the assessment of the similarity of the goods (*PiraÑAM diseño original Juan Bolaños* , paragraph 82 above, paragraph 37; see also, to that effect, *SISSI ROSSI* , paragraph 82 above, paragraph 65; and *PAM PLUVIAL* , paragraph 82 above, paragraph 95).

87. Accordingly, given the close link between the products in question as regards their end users, the fact that they are to some extent complementary and the fact that they may be distributed via the same distribution channels, the Board of Appeal was right to find that the applicant's goods and those of the intervener were similar (see, to that effect, *Case T-388/00 Institut für Lernsysteme v OHIM — Educational Services (ELS)* [2002] ECR II-4301, paragraph 56).

22 The Court of First Instance was not attributing decisive importance to the question of whether the goods in that case were complementary in determining the overall question of whether they were similar.

51) There are clearly aspects of the opponent's specification which are found exactly reproduced in the specification applied for and must therefore be regarded as identical. I have emboldened them in the table above but these are:

- In Class 9: Apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity; data processing equipment, computers; computer software;
- In Class 12: Vehicles; motors and engines for land vehicles; vehicle body parts and transmissions.

52) The following are goods and services applied for which I believe are included in broader terms in the opponent's specification and must be regarded as identical.

- In Class 12: “Apparatus for locomotion by land, wheelchairs” would both be covered by the terms “vehicles” and “land vehicles” which form part of the opponent’s specification.
- Similarly the following terms in Class 9 “optical, weighing, measuring, signalling, checking (supervision), life-saving apparatus and instruments” could also be used on systems for vehicles and as such are very similar to the opponent’s specification for vehicles and parts and fittings for vehicles in Class 12.

53) Having carefully considered all of the authorities quoted above and taking into account the contentions of the opponent, I come to the conclusion that “retail services connected with the sale of vehicles in class 35” are complementary to the term “vehicles” in the opponent’s Class 12 registration.

54) This leaves the following terms of the applicant’s specification which, despite some being commonly offered by those engaged in selling cars, cannot be regarded as similar or complementary.

- In Class 9: Scientific, nautical, surveying, photographic, cinematographic; teaching apparatus and instruments; apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, recording discs; compact discs, DVDs and other digital recording media; mechanisms for coin-operated apparatus; cash registers, calculating machines, fire-extinguishing apparatus.
- In Class 12: Apparatus for locomotion by air or water.
- In Class 35: Advertising; business management; business administration; office functions; electronic data storage; organisation, operation and supervision of loyalty and incentive schemes; advertising services provided via the Internet; production of television and radio advertisements; accountancy; auctioneering; trade fairs; opinion polling; data processing; provision of business information; retail services connected with the sale of computer software.
- In Class 36: Insurance; financial services; real estate agency services; building society services; banking; stockbroking; financial services provided via the Internet; issuing of tokens of value in relation to bonus and loyalty schemes; provision of financial information.
- In Class 39: Transport; packaging and storage of goods; travel arrangement; distribution of electricity; travel information; provision of car parking facilities.
- In Class 41: Education; providing of training; entertainment; sporting and cultural activities.

Comparison of trade marks

55) The marks of the two parties are TESLA and TESLACAB. Earlier in paragraph 25 I set out the applicant's contentions as to why the marks are not similar and I dismissed them. To my mind the marks are very similar in that the whole of the opponent's mark features as the start of the applicant's mark, the only difference being the addition of the word "CAB" on the end. Given the applicant's stated intention of using the mark upon a telephone application in relation to taxi services, the word CAB is clearly descriptive and merely adds to the image that the average consumer will adopt that the taxi in question is actually a zero emissions Tesla car. Even for the goods and services that are not related to taxis or taxi services, such as retail services, the word CAB is well known and the TESLA element therefore stands out.

Likelihood of confusion

56) I must now take all the above into account and consider the matter globally taking into account the interdependency principle- a lesser degree of similarity between trade marks may be offset by a greater degree of similarity between goods and vice versa. The evidence does not allow me to find the opponent to have a reputation in its mark. I have found that the marks are very similar and that a number of the goods are identical, very similar or complementary, as such there is a likelihood of consumers being confused into believing that the following goods and services provided by the applicant are those of the opponent or provided by some undertaking linked to them. **If the opponent's application at OHIM achieves registration for the terms I have relied upon in my comparison, then the opposition under Section 5(2)(b) will succeed in relation to:**

- In Class 9: Optical, weighing, measuring, signalling, checking (supervision), life-saving apparatus and instruments.
- In Class 12: Apparatus for locomotion by land, wheelchairs.
- In Class 35: retail services connected with the sale of vehicles.

57) I have found in paragraph 54 above that a considerable amount of the applicant's specification is not similar or complementary to the goods applied for by the opponent. Therefore even if the opponent's CTM 5678479 is registered in full the goods and services listed in paragraph 54 would be registrable as, despite the similarity of the marks. A degree of similarity of goods/services is essential under Section 5(2) (*Ferrero SpA v OHIM* Case C-552/09 [2011] ETMR 30 paragraph 65) and, as it is absent, the objection fails for the goods and services in paragraph 54. **The opposition under Section 5(2) (b) therefore fails in relation to the goods and services listed in paragraph 54.**

58) This leaves the ground of opposition under Section 5(3). This requires the opponent to prove that it is known to a significant proportion of the relevant public [CJEU –

General Motors]. To my mind the opponent has not provided evidence of a such a reputation in its mark sufficient to satisfy the first hurdle under this ground of opposition, therefore the opposition under Section 5(3) fails. However, even if I am wrong in respect of this the opponent's case is no stronger under Section 5(3) than under Section 5(4).

CONCLUSION

59) The opponent has been partially successful in its opposition under Section 5(4). Subject to its CTM achieving registration for the goods as listed then it will enjoy partial success under Section 5(2)(b). However, the 5(2)(b) ground provides less success than the 5(4) ground and as such there is no point in awaiting the outcome of the CTM registration process.

COSTS

60) As the opponent has enjoyed a degree of success it is entitled to a contribution towards its costs.

Preparing a statement and considering the other side's statement	£300
Expenses	£200
Preparing evidence	£500
Preparing submissions	£500
TOTAL	£1500

28) I order Teslacab to pay Tesla Motors Inc. the sum of £1500. This sum to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 6th day of May 2014

**George W Salthouse
For the Registrar,
the Comptroller-General**