

O-373-14

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO 2651695

BY

TRG VEHICLE HIRE LTD
TO REGISTER THE TRADE MARKS



(A SERIES OF TWO MARKS)

IN CLASS 39

AND THE OPPOSITION THERETO UNDER NUMBER 400655
BY DAIMLER AG

Background and pleadings

1. On 5 August 2013, Daimler AG (“the opponent”) filed notice that it opposed trade mark application number 2651695 achieving registration. The details of the application, for a series of two trade marks, are:



Class 39: Transport; arranging for the transportation of persons; rental of vehicles; rental of cars, trucks, lorries, vans, vehicle leasing services; arranging for the rental of vehicles; rental of vehicle equipment and accessories; vehicle and transport reservation services; hiring of transportation vehicles; information and advice relating to all these services.

2. The trade mark application was filed on 6 February 2013 and was published in the Trade Marks Journal on 3 May 2013. The name of the applicant which was entered on the statutory application form (TM3) was trg Vehicle Hire. In written submissions dated 10 June 2014, filed at the end of the evidence rounds, the opponent said:

“2. The legal nature of the Applicant, Trg Vehicle Hire, is unclear. It does not appear on the surface that the Applicant is an entity which is capable of owning Intellectual Property. From a review of Companies House there is an entity called TRG VEHICLE HIRE Ltd of the same address. From its records, Companies House lists the nature of TRG VEHICLE HIRE LTD’s business as “Renting and leasing of cars and light motor vehicles; Renting and leasing of trucks and other heavy materials”.

3. By way of response, the firm of trade mark attorneys who had filed the application form said, also on 10 June 2014, that the omission of “Ltd” from the name of the applicant was clearly a clerical error when the application was filed and should not have any bearing on the outcome of the present opposition proceedings. I note that no mention was made by the opponent at any time prior to the close of the evidence rounds of its concerns in relation to the name of the applicant. I also note that matters arising from the names and legal statuses of applicants are *ex parte* issues; i.e. are matters between the applicant and the Registrar, as per the decision of Geoffrey Hobbs QC, sitting as the Appointed Person in BL O/168/05 “Michaels Foodmarket”. Therefore, this matter has no bearing upon the decision before me. In

fact, it has now been dealt with as a separate, ex parte issue, in order to correct the irregularity. The name on the register is now TRG Vehicle Hire Ltd¹.

4. The opponent claims that registration of the trade marks would be contrary to sections 5(2)(b), 5(3), 5(4)(a) and 56(1) of the Trade Marks Act 1994 (“the Act”). In relation to sections 5(2)(b), 5(3) and 56(1), the opponent relies upon five earlier marks, a summary of which is shown in the table below. The marks had all been registered for at least five years on the date on which the application was published.

Mark	Number	Filing date	Registered ²	Territory	Classes
SMART	2319991	3 January 2003	16 April 2004	UK	12
SMART	140186	1 April 1996	2 May 2005	EU	12, 36, 37, 39, 41 & 42
smart	140236	1 April 1996	20 September 2000	EU	12, 36, 37, 39, 41 & 42
smärt	514034	10 April 1997	21 July 2005	EU	12, 36, 37, 39, 41 & 42
smart	5382916	13 October 2006	3 August 2007	EU	12, 28 & 37

5. In relation to section 5(2)(b), the opponent relies upon all the goods and services of its registrations to attack all the services in the application, claiming that there is a likelihood of confusion between the parties’ marks. It also claims that it has a family of “SMART” marks. Under section 5(3), the opponent claims a reputation in all of the goods and services of its registrations, claiming that the application takes unfair advantage of that reputation; that there would be an assumed economic connection; and that there would be detriment to the repute and distinctive character of the earlier marks. The section 56(1) claim is based upon the earlier marks being well-known. The section 5(4)(a) claim is based on use of signs corresponding to all of the registrations, as having been used in the UK since 1 December 1998 in relation to “motor vehicles, parts, fittings and accessories for vehicles; vehicle related services; including car maintenance repair, arranging and organisation of replacement and rented vehicles”.

6. The applicant filed a counterstatement, denying all grounds and putting the opponent to proof that it has used its earlier marks on all the goods and services for which they are registered. At a case management conference before me on 31 March 2014, after the opponent’s period for filing evidence was well under way, the applicant’s representative accepted that the opponent has used its marks on cars, and accepted that it also has a reputation in its marks for cars.

7. The opponent filed evidence. Both sides chose to have a decision made from the papers rather than to be heard and both sides filed written submissions. I bear all

¹ By way of form TM21 filed on 30 June 2014.

² Date of completion of the registration procedure.

the papers in mind, including the statement of case and the counterstatement, in making this decision.

Evidence

8. The opponent's evidence is from Sabine Gluthe, who is the opponent's Head of Trademarks. Her statement comes from personal knowledge, from enquiries or investigations which she has carried out, and from the opponent's and its subsidiaries' records. Included in Ms Gluthe's evidence, when it was first filed, was a survey, for which permission was not sought from the Tribunal (as per Tribunal Practice Notice 2/2012). At the aforementioned case management conference, I refused to admit the survey evidence, for reasons contained in a letter which is reproduced as an annex to this decision.

9. Ms Gluthe refers to the opponent's SMART 'vehicle'. I will refer to it as a car, because the evidence shows only cars and no other types of vehicle.

- The SMART car was launched in Europe in 1995 and attracted so much interest that "large numbers" of left hand drive cars were imported into the UK before the official UK launch.
- Pictures of the car are shown in exhibit SG1, and production of the various models began in 1998 and continue to the present in the UK and in Europe.
- Ms Gluthe states that the opponent has used the mark SMART in relation to cars, spare parts and accessories, financial services, insurance services and car rental services since at least 1998 in the UK.
- There are 84 SMART dealers throughout the UK and 431 in the EU.
- The table below shows the number of SMART vehicles which have been sold in the EU:

Year	Number of SMART cars EU
2008	101,897
2009	88,794
2010	78,331
2011	74,597
2012	68,593
2013	61,820

- The table below shows the number of SMART cars which have been sold in the UK:

Year	Number of SMART cars UK
2008	7,598
2009	8,431
2010	7,140
2011	5,121
2012	5,783
2013	5,197

- In other EU countries, the figures for the number of cars sold per annum include about 30,000 in Germany; about 6,000 in France; about 3,000 in Spain; and about 30,000 in Italy. There have been sales across the EU (including the expanded EU), although fewer in the newer member states.
- According to paragraph 10 of the witness statement, the UK spend on advertising SMART cars appears to be about €5 million per annum, although this figure works out at about €1000 being spent on advertising each car sold in the UK per annum.
- Advertising for SMART cars has consistently featured in What Car?, Top Gear, Auto Car, Auto Express and Car Mag, Eve Cars and Channel:Cars magazines. These magazines all had, in 2012, circulation figures ranging from about 40,000 to about 155,000. On-line advertisements appeared in the electronic versions of these magazines, along with advertisements in the Daily Telegraph and The Scotsman. On-line advertisements were also placed on Google, Yahoo, MSN and Ad-Serving; the 2009 figures are given in exhibit SG13. There is information in exhibit SG18 referring to looseleaf inserts and billboard advertisements.
- Exhibit SG12 comprises information relating to TV advertising of SMART cars on ITV, Channel 4 and Channel 5. Advertisements were also screened in cinemas in October 2010 and on the radio. Exhibit SG19 gives details of some of the radio advertising which took place in July and August 2011 of 30-second duration on 96.3 Radio Aire, Capital Network, First Radio Total, Hallam FM, Heart Network (UK), Key 103 (Manchester), LBC, Metro Radio, Real Radio (Scotland), Smooth Radio (UK), TFM Radio, Total Magic, Total Radio Clyde, Total XFM (UK) and talkSPORT.
- The advertising of SMART cars has also been specifically targeted at London, featuring in Time Out, Metro and on Facebook (exhibit SG14). Exhibit SG15 gives details of advertisements placed in 2007, 2008 and 2011 in Metro (national), The Times, Daily Telegraph, The Guardian, Evening Standard, The Express, The Independent, the i, Daily Mail and the Sunday Times.
- Ms Gluthe states that the opponent's mark SMART is heavily used in sponsorship activities in Germany, Italy and Spain; this appears to be in relation to beach volleyball.
- Exhibit SG23 comprises extracts from the opponent's SMART website, www.smart.com. Ms Gluthe states that the website was launched in 1998

and has been used continuously in relation to sale of SMART cars and financial services and insurance services, including hire purchase and leasing. The exhibits are prints of landing pages, printed on 10 February 2014, with headings such as Motor Insurance, Hire Purchase and Operating Lease. These headings are not expanded. There are no details other than these exhibits regarding use on financial services and leasing.

- Exhibit SG24 is an extract from Wikipedia about Car2go UK Limited. Ms Gluthe states that Car2go UK Limited was incorporated on 25 May 2012 and is a subsidiary of Daimler. She states that Car2go offers exclusively SMART Fourtwo “car2go edition” cars and features rental of SMART vehicles, and in particular, features one-way point-to-point rentals which are charged by the minute, hour or day. The scheme operates 500 SMART cars in London and 250 SMART cars in Birmingham. I note that the London scheme started in December 2012 and the Birmingham scheme did not start until May 2013. Exhibit SG25 is from the Car2go website and explains how the rental scheme works, which is that users can gain access to cars parked in various places, rather like the ‘Boris bikes’ in London. Charging by the minute, hour or day seems to be aimed at people who do not own cars, but need a car for a short while in major cities. It is not possible to see the SMART marks(s), and there are no references to the marks within the Car2go website pages.
- There is a single page in exhibit SG26 of a picture, dated within 2012, of an electric bike which carries the mark ‘smart’ and the words “charged up and ready to go”, but there are no other details about bikes.

Proof of use

10. Section 6(A) Act states:

“(1) This section applies where—

(a) an application for registration of a trade mark has been published,

(b) there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, and

(c) the registration procedure for the earlier trade mark was completed before the start of the period of five years ending with the date of publication.

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

(3) The use conditions are met if—

(a) within the period of five years ending with the date of publication of the application the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or

(b) the earlier trade mark has not been so used, but there are proper reasons for non-use.

(4) For these purposes—

(a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and

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

(5) In relation to a Community trade mark, any reference in subsection (3) or (4) to the United Kingdom shall be construed as a reference to the European Community.

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

(7) Nothing in this section affects—

(a) the refusal of registration on the grounds mentioned in section 3 (absolute grounds for refusal) or section 5(4)(relative grounds of refusal on the basis of an earlier right), or

(b) the making of an application for a declaration of invalidity under section 47(2) (application on relative grounds where no consent to registration).”

11. The enquiry under section 6A of the Act is essentially identical to that set out under section 46. In *Stichting BDO and others v BDO Unibank, Inc and others* [2013] EWHC 418 (Ch), Arnold J commented on the case law of the Court of Justice of the European Union (“CJEU”) in relation to genuine use of a trade mark:

“In *SANT AMBROEUS Trade Mark* [2010] RPC 28 at [42] Anna Carboni sitting as the Appointed Person set out the following helpful summary of the jurisprudence of the CJEU in Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, Case C-259/02 *La Mer Technology Inc v Laboratoires Goemar SA* [2004] ECR I-1159 and Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759 (to which I have added references to Case C-416/04 P *Sunrider v OHIM* [2006] ECR I-4237):

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

(2) The use must be more than merely 'token', which means in this context that it must not serve solely to preserve the rights conferred by the registration: *Ansul*, [36].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end-user by enabling him, without any possibility of confusion, to distinguish the goods or services from others which have another origin: *Ansul*, [36]; *Sunrider*, [70]; *Silberquelle*, [17].

(4) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, i.e. exploitation that is aimed at maintaining or creating an outlet for the goods or services or a share in that market: *Ansul*, [37]-[38]; *Silberquelle*, [18].

(a) Example that meets this criterion: preparations to put goods or services on the market, such as advertising campaigns: *Ansul*, [37].

(b) Examples that do not meet this criterion: (i) internal use by the proprietor: *Ansul*, [37]; (ii) the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle*, [20]-[21].

(5) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including in particular, the nature of the goods or services at issue, the characteristics of the market concerned, the scale and frequency of use of the mark, whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them, and the evidence that the proprietor is able to provide: *Ansul*, [38] and [39]; *La Mer*, [22]-[23]; *Sunrider*, [70]-[71].

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

12. The assessment can only be made on the basis of the evidence filed by the opponent, because Section 100 of the Act states:

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

13. In reviewing the opponent's evidence, it is a matter of viewing the picture as a whole, including whether individual exhibits corroborate each other. In Case T-415/09, *New Yorker SHK Jeans GmbH & Co. KG v OHIM*, in relation to the need to

get a sense from the overall picture of the evidence, notwithstanding that individual pieces may not, of themselves, be compelling, the General Court (“GC”) said:

“53 In order to examine whether use of an earlier mark is genuine, an overall assessment must be carried out which takes account of all the relevant factors in the particular case. Genuine use of a trade mark, it is true, cannot be proved by means of probabilities or suppositions, but has to be demonstrated by solid and objective evidence of effective and sufficient use of the trade mark on the market concerned (*COLORIS*, paragraph 24). However, it cannot be ruled out that an accumulation of items of evidence may allow the necessary facts to be established, even though each of those items of evidence, taken individually, would be insufficient to constitute proof of the accuracy of those facts (see, to that effect, judgment of the Court of Justice of 17 April 2008 in Case C-108/07 P *Ferrero Deutschland v OHIM*, not published in the ECR, paragraph 36).”³

14. In *Plymouth Life Centre*, BL O/236/13, Mr Daniel Alexander QC, sitting as the appointed person, observed that:

“Providing evidence of use is not unduly difficult. If an undertaking is sitting on a registered trade mark, it is good practice in any event from time to time to review the material that it has to prove use of it.”

15. In *Dosenbach-Ochsner AG Schuhe und Sport v Continental Shelf 128 Ltd* (“*CATWALK*”), BL O/404/13, Mr Geoffrey Hobbs QC, sitting as the Appointed Person, stated:

“21. The assessment of a witness statement for probative value necessarily focuses upon its sufficiency for the purpose of satisfying the decision taker with regard to whatever it is that falls to be determined, on the balance of probabilities, in the particular context of the case at hand. As Mann J. Observed in *Matsushita Electric Industrial Co. V. Comptroller- General of Patents* [2008] EWHC 2071 (Pat); [2008] R.P.C. 35:

[24] As I have said, the act of being satisfied is a matter of judgment. Forming a judgment requires the weighing of evidence and other factors. The evidence required in any particular case where satisfaction is required depends on the nature of the inquiry and the nature and purpose of the decision which is to be made. For example, where a tribunal has to be satisfied as to the age of a person, it may sometimes be sufficient for that person to assert in a form or otherwise what his or her age is, or what their date of birth is; in others, more formal proof in the form of, for example, a birth certificate will be required. It all depends who is asking the question, why they are asking the question, and what is going to be done with the answer when it is given. There can be no universal rule as to what level of evidence has to be

³ See also the comments of Mr Geoffrey Hobbs QC, sitting as the appointed person in *Brandconcern BV v Scooters India Limited* (“*Lambretta*”) BL O/065/14, referring to this case from the GC.

provided in order to satisfy a decision-making body about that of which that body has to be satisfied.

22. When it comes to proof of use for the purpose of determining the extent (if any) to which the protection conferred by registration of a trade mark can legitimately be maintained, the decision taker must form a view as to what the evidence does and just as importantly what it does not 'show' (per Section 100 of the Act) with regard to the actuality of use in relation to goods or services covered by the registration. The evidence in question can properly be assessed for sufficiency (or the lack of it) by reference to the specificity (or lack of it) with which it addresses the actuality of use."

16. The applicant accepts that the opponent has used SMART in relation to cars and that the opponent has a reputation in SMART for cars. It goes almost without saying that vehicle manufacturers make parts for their cars. I find that the opponent can rely upon the mark SMART for cars and their parts. However, I do not accept that it has met the burden in relation to the other goods and services relied upon. I note that the pleadings stated that all goods and services of the earlier mark were relied upon but that Ms Gluthe refined the use statement thus:

"I strongly believe that the mark SMART... and the various SMART logos have been put to genuine use in the UK in relation to "vehicles; spare parts and accessories for vehicles; financial services and insurance services; car rental services; and electric bikes..."

17. The Car2goUK evidence, intended to prove use of SMART in relation to vehicle rental, shows use only of Car2go in relation to rental of vehicles. The mark used in relation to vehicle rental is not SMART, it is Car2go, because it is Car2go which is relied upon by consumers as the indication of trade origin of the rental service. This conclusion is supported by the absence of any reference to SMART cars on the website pages which have been exhibited. The pages do not suggest in any way that consumers rely upon SMART in choosing to purchase Car2go rental services. They do not rely upon the make of car and there is no evidence to suggest otherwise.

18. The evidence supporting Ms Gluthe's assertion that the mark/marks have been used upon financial and leasing services is scant in the extreme. The difference in the amount and content of evidence relating to sales of cars compared to the services relied upon is marked. There is plenty of information to support genuine use in relation to cars. When it comes to financial, insurance and leasing services, there is very little indeed. This is surprising; if there had been use, it should not have been hard for Ms Gluthe, the opponent's Head of Trademarks, to provide it in the same way that it was possible to provide cogent evidence in relation to car sales. There is no explanation or expansion of the headings shown in the website landing pages. There are no customer numbers, no turnover figures, no examples of prices, no details of how many cars were leased and when they were leased. In my experience, car insurance is not provided by vehicle manufacturers but by third parties. The applicant pointed out the deficiencies in the evidence in relation to car rental services but the opponent's response was to reiterate the points made by Ms Gluthe in relation to Car2go. It seems to me that the opponent expects me to fill in

the blanks, of which there are many. I have tried to take the evidence in the round, but there are not enough pieces to put together. My conclusion, therefore, is that the opponent has not proven genuine use on anything other than cars and their parts.

Proof of use outcome

19. The opponent may rely upon its earlier marks in respect of *cars and their parts*.

The ground under section 5(2)(b) of the Act

20. Section 5(2)(b) of the Act states:

“(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.”

21. The leading authorities which guide me in relation to section 5(2)(b) of the Act are from the CJEU (“Court of Justice of the European Union”): *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, *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). It is clear from these cases that:

(a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors; *Sabel BV v Puma AG*,

(b) the matter must be judged through the eyes of the average consumer for the goods/services in question; *Sabel BV v Puma AG*, 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; *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel B.V.*,

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details; *Sabel BV v Puma AG*,

(d) the visual, aural and conceptual similarities of the marks must therefore be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components; *Sabel BV v Puma AG*,

e) assessment of the similarity between two marks means more than taking just one component of a composite trade mark and comparing it with another mark; the comparison must be made by examining each of the marks in question as a whole, which does not mean that the overall impression conveyed to the relevant public by a composite trade mark may not, in certain circumstances, be dominated by one or more of its components; *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*,

f) it is only when all other components of a complex mark are negligible that it is permissible to make the comparison on the basis of the dominant element; *Shaker di L. Laudato & C. Sas v OHIM*,

(g) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*,

(h) 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; *Sabel BV v Puma AG*,

(i) in determining whether similarity between the goods or services covered by two trade marks is sufficient to give rise to the likelihood of confusion, the distinctive character and reputation of the earlier mark must be taken into account; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*,

(j) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purposes of Section 5(2); *Sabel BV v Puma AG*,

(k) further, 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; *Marca Mode CV v Adidas AG and Adidas Benelux BV*,

(l) but if the association between the marks causes the public to wrongly believe that the respective goods come from the same or economically linked undertakings, there is a likelihood of confusion within the meaning of the section; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*.

Comparison of goods and services

22. In comparing the respective specifications, all relevant factors should be considered, as per *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*. where the CJEU stated at paragraph 23 of its judgment:

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

23. 'Complementary' was defined by the GC in *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-325/06*:

"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...".

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

25. In *Avnet Incorporated v Isoact Limited* [1998] F.S.R. 16 Jacob J held that:

"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."

26. In *YouView TV Ltd v Total Ltd* [2012] EWHC 3158 (Ch) at [12] Floyd J said:

"... Trade mark registrations should not be allowed such a liberal interpretation that their limits become fuzzy and imprecise: see the observations of the CJEU in Case C-307/10 *The Chartered Institute of Patent Attorneys (Trademarks) (IP TRANSLATOR)* [2012] ETMR 42 at [47]-[49]. Nevertheless the principle should not be taken too far. *Treat* was decided the way it was because the ordinary and natural, or core, meaning of 'dessert sauce' did not include jam, or because the ordinary and natural description of jam was not 'a dessert sauce'. Each involved a straining of the relevant language, which is incorrect. Where words or phrases in their ordinary and natural meaning are apt to cover the category of goods in question, there is equally no justification for straining the language unnaturally so as to produce a narrow meaning which does not cover the goods in question."

27. The parties' specifications are:

Earlier marks	Application
Class 12: Cars and their parts.	Class 39: Transport; arranging for the transportation of persons; rental of vehicles; rental of cars, trucks, lorries, vans, vehicle leasing services; arranging for the rental of vehicles; rental of vehicle equipment and accessories; vehicle and transport reservation services; hiring of transportation vehicles; information and advice relating to all these services.

28. The purpose of a car and of transportation is to get from A to B, so there is a sharing of purpose. However, the nature of goods and services and methods of use differ.

29. It is not usual to purchase a car from the same place as one would purchase vehicle rental services, even if it is car rental. The natural meaning of car rental is that it is a short-term transport solution. The person purchasing the service may still own a car, but may need to rent one, for example, if flying or if their car is under repair. There is not really competition because it seems unlikely that one would decide not to buy a car because a car can be rented. It is possible that this is the case in London, as the Car2go scheme might indicate, but there is not really any evidence to show that there is a real element of competition between cars and car rental services. In terms of complementarity, for those services in the application which relate to cars, there is complementarity one-way because car rental services require cars. There might be competition between car parts and the applicant's rental of vehicle equipment and accessories because, for example, it might be more cost effective to rent a roof rack for a one-off occasion than to buy one. There is an element of complementarity, again one way, between rental of vehicle equipment and accessories and car parts.

30. It is common to lease vehicles or contract hire them from vehicle manufacturers and dealers. In the case of the applicant's vehicle leasing services and hiring of transportation vehicles, which covers contract hire, the trade channels could converge with outlets for purchasing cars. In relation to vehicle leasing and contract hire, there is competition: the choice is to buy a car or to lease it or hire it under contract.

31. In conclusion, there is a reasonable degree of similarity between cars and vehicle leasing services in so far as they cover cars. There is also a reasonable degree of similarity between cars and hiring of cars, which includes contract hire of cars. Since these services are covered by the wide term 'transport', there is a reasonable degree of similarity between cars and transport services involving cars. There is a reasonable degree of similarity between cars and the information and advice which applies to the above services. There is a low degree of similarity between car parts and rental of vehicle equipment and accessories. There is very little or no similarity between cars and rental of cars and services which involve rental of cars. There is no similarity between cars and the remaining services.

Average consumer and purchasing process


32. The average consumer is reasonably well informed and reasonably circumspect and observant, but his or her level of attention is likely to vary according to the category of goods or services. The average consumer for both parties' goods and services is the general public (legally able to drive). Purchasing a vehicle is an expensive, considered process and one to which a relatively high level of attention will be paid. The purchase is visual, in the research and the examination of the vehicle, although I bear in mind that there will also be an aural aspect (e.g. during discussion with a dealer or vendor). Purchasing a car lease or contract hire of a car is also a highly considered process because it is an expensive, long-term

commitment. Purchasing the rental of a car or a transportation service is much less considered, but is still likely to be more of a visual purchase than aural.

Comparison of the parties' marks

33. The applicant accepts that the opponent has used and has a reputation in SMART for cars. As the word only form of SMART represents the opponent's best case in comparison with the applicant's composite trade marks, I will restrict the assessment to a likelihood of confusion based on the opponent's earlier marks 2319991 and CTM 140186, SMART.

34. The parties' marks are as follows:

Opponent's mark	Applicant's marks
<p>SMART</p>	

35. The authorities cited earlier in this decision direct that, in making a comparison between the marks, I must compare each mark's visual, aural and conceptual characteristics. I have to decide which, if any, of their components I consider to be distinctive and dominant, without engaging in an artificial dissection of the marks, because the average consumer normally perceives a mark as a whole and does not analyse its details, as per *Sabel BV v Puma AG*, paragraph 23:

“That global appreciation of the visual, aural or conceptual similarity of the marks in question, must be based on the overall impression given by the marks, bearing in mind, in particular, their dominant and distinctive components.”

36. SMART is the single dominant and distinctive element of the opponent's mark. SMART appears in the applicant's composite marks as the second word in the dominant part of the marks, FleetSmart. FleetSmart is dominant because it is the largest component of the marks, positioned centrally. The letters *trg* are very small in comparison. The words “the business” are non-distinctive. The star device appears at the end of the marks in the corner. Whilst *trg* and the star device are distinctive, their impact in the marks as a whole is significantly reduced by the dominance of the distinctive element FleetSmart. Further, within FleetSmart, Smart is emboldened and the S is a capital letter, further serving to pick out Smart in FleetSmart. Visually and aurally, there is a low degree of similarity, notwithstanding the emboldened Smart, because there are four other elements which do not share

any similarity with SMART. The applicant submits that the green colour in its mark (the first in the series) also provides distance. This is not so. As Kitchin LJ stated in *Specsavers International Healthcare Ltd & Others v Asda Stores Ltd* [2012] EWCA Civ 24 at [96]:

“A mark registered in black and white is, as this court explained in *Phones 4U* [2007] R.P.C. 5, registered in respect of all colours.”

This means that the opponent’s marks, registered in black and white, are registered in respect of all colours and could be used in any colour, including green. Such notional use would not serve to provide distance on the basis of colour.

37. Collins English Dictionary, 2000 edition, gives the definitions of SMART as being:

1. astute, as in business; clever or bright.
2. quick, witty, and often impertinent in speech: a smart talker.
3. fashionable; chic: a smart hotel.
4. well-kept; neat.
5. causing a sharp stinging pain.
6. vigorous or brisk.
7. Dialect considerable or numerous: a smart price.
8. (of systems) operating as if by human intelligence by using automatic computer control.
9. (of a projectile or bomb) containing a device that allows it to be guided to its target.

The definitions for FLEET are:

1. a number of warships organized as a tactical unit.
2. all the warships of a nation.
3. a number of aircraft, ships, buses, etc., operating together or under the same ownership.

and

1. rapid in movement; swift.
2. Poetic fleeting; transient.

38. Trg has no meaning of which I am aware and “the business” does not need explanation.

39. Both marks contain SMART, the meaning of which in the context of cars could be the more conventional meaning or technologically intelligent. In the applicant’s mark, there are additional meanings created by the juxtaposition of FLEET. FleetSmart creates connotations of a smart fleet of e.g. cars, even though the mark is not “SmartFleet”, but is the other way around. This combines to provide a reasonable level of conceptual similarity.

Distinctive character of the opponent's mark

40. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*⁴ the CJEU stated that:

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

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

41. SMART cars have been a feature on UK roads for a number of years. They are noticeable for their innovative size. This fact, supported by the opponent's evidence, leads to a finding that the opponent's mark enjoys an enhanced level of distinctive character, which appears to have supplanted the more descriptive messages of SMART.

Is there a likelihood of confusion?

42. There is no similarity between cars and *arranging for the transportation of persons; rental of trucks, lorries, vans; vehicle and transport reservation services; information and advice relating to all these services*. Where there is no similarity between the goods and services, neither identity between the marks nor a good degree of distinctive character in the earlier mark will help the opponent's case. The CJEU said in *Waterford Wedgwood plc v OHIM* Case C-398/07:

“35 It must be noted that the Court of First Instance, in paragraphs 30 to 35 of the judgment under appeal, carried out a detailed assessment of the similarity of the goods in question on the basis of the factors mentioned in paragraph 23 of the judgment in *Canon*. However, it cannot be alleged that the Court of First Instance did not take into account the distinctiveness of the earlier trade mark when carrying out that assessment, since the strong reputation of that trade mark relied on by Waterford Wedgwood can only offset a low degree of similarity of goods for the purpose of assessing the likelihood of

⁴ Case C-342/97

confusion, and cannot make up for the total absence of similarity. Since the Court of First Instance found, in paragraph 35 of the judgment under appeal, that the goods in question were not similar, one of the conditions necessary in order to establish a likelihood of confusion was lacking (see, to that effect, *Canon*, paragraph 22) and therefore, the Court of First Instance was right to hold that there was no such likelihood.”

Consequently, the section 5(2)(b) ground fails in respect of *arranging for the transportation of persons; rental of trucks, lorries, vans; vehicle and transport reservation services; information and advice relating to all these services.*

43. A greater degree of similarity between the marks may be offset by a lesser degree of similarity between the goods and services (*Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.*). The earlier mark has a very good level of distinctive character (through use). There is a reasonable degree of similarity between cars and vehicle leasing services which involve cars. There is also a reasonable degree of similarity between cars and hiring of cars, which includes contract hire of cars. Although there is a low degree of visual and aural similarity between the marks, in relation to vehicle leasing and contract hire, the conceptual similarity and the presence of the word fleet in the applicant’s mark assume significance in the global comparison. This is because it is common for businesses to lease a fleet of company cars for their employees to use. I note that the word ‘smart’ is emboldened and picked out by the capital S, so that it retains some sense of separation from Fleet. I also note the words “the business”. I do not think that the marks are likely to be directly confused. Even so, the combination of, in particular, converged channels of trade between car manufacturers and the leasing of their cars to individuals and businesses, coupled with the words Fleet and ‘the business’, when SMART has a very good level of distinctive character, will mean that confusion in the indirect sense is likely. Consumers will assume an economic connection between the parties; they will assume that the opponent leases or contract hires its cars to businesses through the applicant. In relation to *car leasing services*, and in relation to *hiring of cars*, there is a likelihood of confusion. Since these services are covered by the wide term ‘transport’, it follows that there is a likelihood of confusion in relation to *transport services which involve leasing and hiring of cars*. It also follows that there is a likelihood of confusion between *information and advice relating to these services* and cars.

44. However, in relation to rental of vehicle equipment and accessories, where there is only a low degree of similarity, and in relation to rental of cars and services which involve rental of cars, where there is very little similarity, there is no likelihood of confusion. This is because ‘fleet’ in relation to these services and the opponent’s goods does not have the significance it has in relation to leasing of a fleet of vehicles. Here, the differences between the marks and the high level of attention of the average consumer point away from confusion, despite the enhanced distinctive character of the earlier mark. There is no likelihood in relation to *rental of vehicles; rental of cars; arranging for the rental of vehicles; rental of vehicle equipment and accessories; information and advice relating to all these services.*

Section 5(3)

45. Section 5(3) states:

“(3) A trade mark which-

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

46. The applicant accepts that the opponent has a reputation in SMART for cars, and thereby parts for its cars which are part and parcel of a vehicle manufacturer's trade in cars. The pre-requisite of a reputation sufficient to found a claim under section 5(3) is met⁵; that much is clear also from the opponent's evidence. However, in order to make an assessment as to whether there is one (or more) of the types of damage claimed by the opponent, there must also be a link made by the average consumer between the marks. Strength of reputation is one of the factors to be assessed in relation to the existence of a link⁶. In the opponent's case, SMART is close to being a household name in the UK for cars. Pulling against this factor are the varying levels of dissimilarity between cars and car parts and those of the applicant's services which have survived the section 5(2)(b) assessment:

Arranging for the transportation of persons; rental of trucks, lorries, vans; vehicle and transport reservation services; rental of vehicles; arranging for the rental of vehicles; rental of vehicle equipment and accessories; transport services not including those by car; rental of vehicles, not including rental of cars; vehicle leasing services, not including leasing of cars; hiring of transportation vehicles, not including hiring of cars; information and advice relating to all these services.

47. The opponent's reputation is confined exclusively to cars and their parts. Some of the services listed above have no similarity with cars (as set out in the section 5(2)(b) assessment). The remainder of the services I assessed as having only low or very little similarity with the opponent's goods. SMART is not an invented word. Its distinctive character is tied to the opponent's cars but as soon as it is applied to other, dissimilar services, such as the applicant's, that distinctiveness dissipates and SMART becomes descriptive, if applied to services indicating intelligence (as in smartphone), or at least allusive of something which is clever or chic. When the other aspects of the applicant's marks are also taken into account, a link by the average consumer seems unlikely. **The section 5(3) ground fails.**

⁵ See *General Motors Corporation v Yplon SA* [1999] E.T.M.R. 950.

⁶ *Intel Corporation Inc v CPM (UK) Ltd* (C-252-07).

Section 5(4)(a)

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

“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
- (b)...

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

49. The requirements to succeed in a passing off action are well established and are summarised in *Halsbury’s Laws of England* 4th Ed. as being that:

i) the claimant’s goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;

ii) there is a misrepresentation by the defendant (whether or not intentional) which is likely to deceive the public into believing that the defendant’s goods or services are those of the claimant;

and iii) the claimant has suffered or is likely to suffer damage as a result of the erroneous belief created by the defendant’s misrepresentation.

50. At the relevant date, which is the date of application, the opponent had a protectable goodwill in relation to SMART for cars and their parts. In relation to the opponent’s reliance on the Cars2go rental scheme, it seems to me that goodwill is attached to the sign Cars2go, not SMART. Goodwill was defined in *Inland Revenue Commissioners v Muller & Co’s Margarine Ltd* [1901] AC 217 at 223:

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

The attractive force which brings in rental custom and distinguishes the rental business is Cars2go, not SMART. As the applicant points out, a point not met by the opponent, it is not possible to find the mark SMART on the Car2go website pages in the evidence. SMART is mentioned on Wikipedia, but the provenance of the information is not known (it could have been written by the opponent). In any case, consumers look at service providers’ websites, not Wikipedia, in order to purchase services. A further point is that at the relevant date for assessing this ground, 6 February 2013, the scheme had only been operational in the UK (in London) for two months maximum. This can be seen from the Wikipedia evidence; there is nothing in the Car2Go website evidence or in Ms Gluthe’s statement which says any

different. Two months is a very short time to demonstrate goodwill and this, coupled with the fact that Cars2go is the attractive force which brings in custom for the service, means that the opponent cannot rely upon this evidence.

51. In *Harrods Limited v Harrodian School Limited* [1996] R.P.C. 697, Millet LJ said:

“The name "Harrods" may be universally recognised, but the business with which it is associated in the minds of the public is not all embracing. To be known to everyone is not to be known for everything.”

and

“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... 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

“...whether there is any kind of association, or could be in the minds of the public any kind of association, between the field of activities of the plaintiff and the field of activities of the defendant”:

Annabel's (Berkeley Square) Ltd. v. G. Schock (trading as Annabel's Escort Agency) [1972] R.P.C. 838 at page 844 per Russell L.J.

In the *Lego* case Falconer J. likewise held that the proximity of the defendant's field of activity to that of the plaintiff was a factor to be taken into account when deciding whether the defendant's conduct would cause the necessary confusion.

Where the plaintiff's business name is a household name the degree of overlap between the fields of activity of the parties' respective businesses may often be a less important consideration in assessing whether there is likely to be confusion, but in my opinion it is always a relevant factor to be taken into account.

Where there is no or only a tenuous degree of overlap between the parties' respective fields of activity the burden of proving the likelihood of confusion and resulting damage is a heavy one. In *Stringfellow v. McCain Foods (G.B.) Ltd.* [1984] R.P.C. 501 Slade L.J. said (at page 535) that the further removed from one another the respective fields of activities, the less likely was it that any member of the public could reasonably be confused into thinking that the one business was connected with the other; and he added (at page 545) that

“even if it considers that there is a limited risk of confusion of this nature, the court should not, in my opinion, readily infer the likelihood of resulting damage

to the plaintiffs as against an innocent defendant in a completely different line of business. In such a case the onus falling on plaintiffs to show that damage to their business reputation is in truth likely to ensue and to cause them more than minimal loss is in my opinion a heavy one.”

52. As will be apparent from my earlier comments regarding the dissimilarities between the parties’ goods and services, the respective fields of activity are very different. There is no or only a very tenuous degree of overlap. It is one which is not in the opponent’s favour and the onus upon the opponent is, accordingly, heavy.

53. In *Phones 4u Ltd v Phone4u.co.uk. Internet Ltd* [2007] RPC 5, Court of Appeal, Jacob LJ said:

“16 The next point of passing off law to consider is misrepresentation. Sometimes a distinction is drawn between "mere confusion" which is not enough, and "deception," which is. I described the difference as "elusive" in *Reed Executive Plc v Reed Business Information Ltd* [2004] R.P.C. 40. I said this, [111]:

"Once the position strays into misleading a substantial number of people (going from 'I wonder if there is a connection' to 'I assume there is a connection') there will be passing off, whether the use is as a business name or a trade mark on goods."

17 This of course is a question of degree—there will be some mere wonderers and some assumers—there will normally (see below) be passing off if there is a substantial number of the latter even if there is also a substantial number of the former.

18 The current (2005) edition of *Kerly* contains a discussion of the distinction at paras 15–043 to 15–045. It is suggested that:

"The real distinction between mere confusion and deception lies in their causative effects. Mere confusion has no causative effect (other than to confuse lawyers and their clients) whereas, if in answer to the question: 'what moves the public to buy?', the insignia complained of is identified, then it is a case of deception."

19 Although correct as far as it goes, I do not endorse that as a complete statement of the position. Clearly if the public are induced to buy by mistaking the insignia of B for that which they know to be that of A, there is deception. But there are other cases too—for instance those in the *Buttercup* case. A more complete test would be whether what is said to be deception rather than mere confusion is really likely to be damaging to the claimant's goodwill or divert trade from him. I emphasise the word "really."

54. The requirement for deception amongst a substantial number of persons for passing off purposes is similar to the average consumer test under trade mark law. I note that in *Marks and Spencer PLC v Interflora*, [2012] EWCA (Civ) 1501, Lewinson L.J. cast doubt on whether the test for misrepresentation for passing off purposes

came to the same thing as the test for a likelihood of confusion under trade mark law. He pointed out that it is sufficient for passing off purposes that “a substantial number” of the relevant public are deceived, which might not mean that the average consumer is confused. As both tests are intended to be partly qualitative measures intended to exclude those who are unusually careful or careless (per Jacob L.J. in *Reed Executive Plc v Reed Business Information Ltd* [2004] RPC 40), it is doubtful whether the difference between the legal tests will (all other factors being equal) produce different outcomes. However, for the avoidance of doubt, I confirm that I have applied the appropriate test for misrepresentation in coming to my decision as to whether use of the applicant’s use of its marks would amount to a misrepresentation to the public.

55. Even in the case of an unusually careless customer, it is difficult to see how he will be misled into purchasing the applicant’s services in the belief that they are the opponent’s goods or that there is a connection between them. In any event, there is not likely to be a substantial number of such unusually careless customers. I think it highly unlikely that the public would even wonder whether there was a connection, let alone a substantial number of the public assume that there is a connection between the opponent’s SMART mark for cars and their parts and the applicant’s transport services. The gap between the goods and services is wide and there are other elements in the applicant’s mark. These factors combine to lessen the risk of misrepresentation. Although the opponent’s level of goodwill is probably that of a household name, the area of goodwill is niche. “To be known to everyone is not to be known for everything.” There is no misrepresentation “really likely to be damaging to the claimant’s goodwill or divert trade from him”. **The section 5(4)(a) ground fails.**

Section 56

56. This section of the Act states:

“56.—(1) References in this Act to a trade mark which is entitled to protection under the Paris Convention or the WTO agreement as a well known trade mark are to a mark which is well-known in the United Kingdom as being the mark of a person who—

(a) is a national of a Convention country, or

(b) is domiciled in, or has a real and effective industrial or commercial establishment in, a Convention country,

whether or not that person carries on business, or has any goodwill, in the United Kingdom.

References to the proprietor of such a mark shall be construed accordingly.

(2) The proprietor of a trade mark which is entitled to protection under the Paris Convention or the WTO agreement as a well known trade mark is entitled to restrain by injunction the use in the United Kingdom of a trade mark

which, or the essential part of which, is identical or similar to his mark, in relation to identical or similar goods or services, where the use is likely to cause confusion. This right is subject to section 48 (effect of acquiescence by proprietor of earlier trade mark).

(3) Nothing in subsection (2) affects the continuation of any *bona fide* use of a trade mark begun before the commencement of this section.”

57. The relevant parts of sections 6 and 55 of the Act read:

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

...

(c) a trade mark which, at the date of application for registration of the trade mark in question or (where appropriate) of the priority claimed in respect of the application, was entitled to protection under the Paris Convention or the WTO agreement as a well known trade mark.”

“55.—(1) In this Act-

(a) “the Paris Convention” means the Paris Convention for the Protection of Industrial Property of March 20th 1883, as revised or amended from time to time,

(aa) “the WTO agreement” means the Agreement establishing the World Trade Organisation signed at Marrakesh on 15th April 1994, and

(b) a “Convention country” means a country, other than the United Kingdom, which is a party to that Convention or to that Agreement.”

58. As the opponent has relied upon trade marks registered in the UK, I am unable to see how section 56 assists it, especially given my comments regarding lack of use in relation to many of the goods and services, and the level of reputation which has been established. **The claim based upon section 56 is dismissed.**

Outcome

59. The opposition succeeds under section 5(2)(b) in relation to *car leasing services; hiring of cars; transport services which involve leasing and hiring of cars; information and advice relating to these services.*

60. The opposition fails in respect of all the other services. The application may proceed to registration for:

Transport services not including those by car; arranging for the transportation of persons; rental of vehicles; rental of cars, trucks, lorries, vans; arranging for the rental of vehicles; rental of vehicle equipment and accessories; vehicle and transport reservation services; vehicle leasing services, not including leasing of cars; hiring of

transportation vehicles, not including hiring of cars; information and advice relating to all these services.

Costs

61. In BL O/197/11 *Wm Morrison Supermarkets Plc v Nisa-Today's (Holdings) Limited*, Ms Amanda Michaels, sitting as the Appointed Person, said in a case where one party was largely, but not wholly, successful:

“22. The starting point for the exercise of the discretion, as set out in CPR 44.3 and reflected in Johnsey, is that costs should follow the event. As CPR 44.3(2)(a) puts it “the general rule is that the unsuccessful party will be ordered to pay the costs of the successful party”. Nevertheless, as CPR 44.3(4) indicates, the judge “must have regard to all the circumstances” which may include “whether a party has succeeded on part of his case, even if he is not be wholly successful.” The court may therefore make different orders for the costs incurred in relation to discrete issues and should consider doing so where a party has been successful on one issue but unsuccessful on another.

...

Approaching the matter in accordance with CPR 44.3, it seems to me that NISA ought be considered the successful party and to have its costs, subject to a deduction of an amount to reflect the fact that it was not wholly successful in the invalidation application or in respect of the opposition based on sub-section 5(2)(b). NISA was only unsuccessful in both the invalidation and opposition proceedings in relation to a fairly narrow range of goods, yet in my judgment some credit should be given to Morrisons to reflect the result. Without a breakdown of the parties’ costs by reference to the issues, a process which it would be disproportionate to ask the parties to undertake at this stage, making such a reduction is necessarily a rough and ready process. Doing the best I can, in my judgment it would be appropriate to reduce the costs awarded to NISA by 20% to reflect its partial level of success (save as stated in sub-paragraph 27(d) below).”

62. Accordingly, since the applicant has had the lion’s share of success but has not been wholly successful, it is entitled to a contribution to its costs, offset by the partial success of the opposition. The opponent’s success rate, as a rough and ready measure, has been about 10%. I have considered whether some allowance should be made to the opponent for the fact that the applicant put it to proof of use on cars, whilst accepting at the case management conference that there was both use and reputation of SMART on cars. However, other than cars, the opponent also chose to rely on a considerable array of services which it clearly could not justify. And for which the proof of use request was justified. I have therefore decided not to count the proof of use request against the applicant. Applying the scale of costs, I assess the costs contribution as follows:

Considering the opposition and preparing a counterstatement	£400
Consideration of opponent's evidence	£700
Written submissions	£100
Sub-total	£1200
Offset @ 10%	-£120
Total	£1080

63. I order Daimler AG to pay to Trg Vehicle Hire Ltd the sum of £1080. This sum is 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 20th day of August 2014

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

Annex: the case management conference letter



Intellectual
Property
Office

Murgitroyd & Company
Scotland House
165-169 Scotland Street
Glasgow
G5 8PL.

Our Ref: Opp 400655/TS/CW
Your Ref: G161355.gb.01.bettc/CCI
Date: 1 April 2014

Intellectual Property Office
Trade Marks Registry

Cardiff Road
Newport
South Wales
NP10 8QQ

Switchboard: 01633 814000
Direct Line: 01633 811040
Fax: 01633 811175
Minicom: 0645 222250
Website: www.ipo.gov.uk

Please quote our complete reference on all correspondence

Dear Sirs,

**Trade Mark No 2651695; applicant: trg Vehicle Hire
Opposition No 400655; opponent: Daimler AG**

1. At the case management conference which I held yesterday, I said that I would reserve my decision on exhibit SG20 until I had seen a copy of it (the original having been returned by the Registry as inadmissible). I have now had a chance to examine the contents of the exhibit, with particular reference to the Tribunal's practice notice on survey evidence (TPN 2/2012). The TPN deals with requests to adduce surveys, whether or not they have already been carried out or have yet to be carried out. Permission is to be sought from the Hearing Officer to adduce surveys. There is no distinction between surveys which have already taken place (e.g. for another purpose) and those which are planned for a particular set of proceedings. The TPN stipulates that the guidelines set down by Whitford J in *Imperial Group plc & Another v. Philip Morris Limited & Another* [1984] RPC 293 must be met. The guidelines were described by Lewison LJ in *Marks and Spencer PLC v Interflora Inc and Interflora British Unit* [2012] EWCA Civ 1501, as a 'watershed' and are set out below:

"If a survey is to have validity (a) the interviewees must be selected so as to represent a relevant cross-section of the public, (b) the size must be statistically significant, (c) it must be conducted fairly, (d) all the surveys carried out must be disclosed including the number carried out, how they were conducted, and the totality of the persons involved, (e) the totality of the answers given must be disclosed and made available to the defendant, (f) the questions must not be leading nor should they lead the person answering into a field of speculation he would never have embarked upon had the question not been put, (h) the exact answers and not some abbreviated form must be recorded, (i) the instructions to the interviewers as to how to carry out the survey must be disclosed and (j)

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where the answers are coded for computer input, the coding instructions must be disclosed.”

2. Apart from questions 1 and 2, the remainder of the questions asked in exhibit SG20 lead the person answering into a field of speculation he would never have embarked upon had the question not been put.

3. The exhibit in question is a routine market survey report conducted before the commencement of the opposition. The opponent submits that the survey report shows UK public recognition of its mark SMART in relation to cars. The opponent has filed the exhibit because the applicant’s counterstatement denied that the opponent had used, or had a reputation for, the mark SMART for cars. I asked Mr Tidman, for the applicant, if the applicant admits that the mark SMART has been used in relation to, and has a reputation for, cars. He accepted that to be the case.

4. Keeping in mind the following factors:

(i) the need for proportionate handling of cases in relation to the complexity of the issues;

(ii) the applicant’s (post-defence) acceptance of use and reputation of SMART in relation to cars;

(iii) the fact that the survey does not meet an important aspect of the Whitford criteria and its value in answering the question of reputation is therefore questionable;

(iv) the other evidence of the opponent which goes to use and reputation on cars;

I have decided to maintain the preliminary view not to admit exhibit SG20, under rule 62(1)(i) and rule 62(2)(a) of the Trade Marks Rules 2008.

Next steps

5. The opponent should re-file its witness statement, minus references to SG20, other than a note in the appropriate place to indicate that SG20 does not form part of the evidence. It will therefore not be necessary to re-number the exhibits which follow SG20.

6. I dealt with an additional point, which is the confusing information given in paragraphs 5 and 8 of the witness statement. If the opponent wishes to amend its



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witness statement so as to reconcile paragraphs 5 and 8, or to file a supplementary witness statement, dealing only with this issue, such amendments must be received on or before 21 April 2014. The evidence period for the applicant will not be delayed, so will run as presently set with a due date of 6 May 2014. However, if the opponent does clarify the position in relation to paragraphs 5 and 8 of its witness statement and this causes the applicant difficulties in meeting the 6 May deadline, I will consider whether a short extra period of time may be permitted for filing the applicant's evidence on this basis, without the need for a Form TM9 and fee (rule 77(1))¹. If the applicant requests an extension of time on any other basis, such a request will fall under the remit of rule 77(2)(b) and will require the filing of a Form TM9 and fee.

7. My decision is an interim one in that it does not terminate the proceedings and I have not made an award of costs. Thus, in line with Rule 70, an appeal against my decision can only be made independently of any appeal against the final, substantive, decision with the leave of the registrar.

8. Any request for leave to appeal this decision independently of the final decision in these proceedings should be provided in writing within 7 days of the date of this letter and should be supported by full reasons for the request. The request should at the same time be copied to the other side, who are allowed a further 7 days from the date the request for leave to appeal is received by them to file any comments they may wish to make; a decision on leave will then be made. If leave is granted, the period for actually giving notice of appeal under rule 71 will run from the date leave is granted.

Yours faithfully,

A handwritten signature in black ink that reads "J Pike".

Judi Pike
Principal Hearing Officer

Cc Briffa, reference JL 6657.