



Neutral Citation Number: [2018] EWHC 3536 (Ch)

Case No: CH-2018-000153

IN THE HIGH COURT OF JUSTICE
BUSINESS & PROPERTY COURTS OF ENGLAND AND WALES
INTELLECTUAL PROPERTY LIST (ChD)

Royal Courts of Justice
The Rolls Building
Fetter Lane
London, EC4A 1NL

Date: 20/12/2018

Before :

ROSE J

Between :

Jaguar Land Rover Ltd

Appellant

- and -

Twisted Automotive Ltd

Respondent

Michael Hicks (instructed by **Reddie & Grose LLP**) for the Appellant
Denise McFarland (instructed by **3volution Ltd**) for the Respondent

Hearing date: 10 December 2018

Approved Judgment

I direct that pursuant to CPR PD 39A para 6.1 no official shorthand note shall be taken of this Judgment and that copies of this version as handed down may be treated as authentic.

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ROSE J

Mrs Justice Rose:

1. This is an appeal against the decision dated 15 May 2018 (O-289-18) of Ms Louise White acting for the Registrar of Trade Marks. In her decision, Ms White upheld the opposition by the Respondent ('Twisted') to the registration by the Appellant ('Jaguar') of the trademark "LR". The IPO have been notified of the proceedings and have indicated that they do not wish to participate.
2. The application by Jaguar to register trademark number 3 181 949 "LR" in the United Kingdom was in respect of various goods in Class 12 including land vehicles, parts and fittings for vehicles, wheels and their accessories and other accessories and also for bicycles and scooters. Jaguar already owns the marks "Jaguar" and "Land Rover". These marks are well-known and have been used for many years. The company is often referred to as 'Jaguar Land Rover' or 'JLR'.
3. Twisted opposed the trademark relying on section 5(4)(a) of the Trade Marks Act 1994. Twisted claimed to have been selling the same goods in class 12 and providing services under the unregistered sign "LR Motors" since November 2015. The company's business was previously conducted from about 2000 by Mr Charles Fawcett as a sole trader. In 2015 Mr Fawcett set up a division of Twisted known as LR Motors for the sale exclusively of second-hand Land Rover Defender vehicles, parts and accessories for those vehicles. Twisted asserted that it had acquired goodwill under the sign. The use of the trademark applied for by Jaguar would be a misrepresentation to the public amounting to passing off. Twisted could therefore have prevented the use by the mark of Jaguar in the United Kingdom under the law of passing off as at the date of the filing of the application for registration by Jaguar. According to section 5(4)(a), the trademark should not therefore be registered. Twisted did not oppose the registration of the mark in respect of bicycles and scooters and some of the other Class 12 items.
4. The hearing took place before Ms White on 31 January 2018. Evidence and written submissions had been submitted in advance. There was an oral hearing but no oral witness evidence since neither party applied to cross-examine the other's witnesses. Mr Fawcett provided a witness statement describing the two limbs of the business. The business operated under the brand "Twisted" is the customisation and modification of Land Rover Defender vehicles. In November 2015 the company set up the second business, LR Motors, through which it sells second-hand Land Rover Defender vehicles, parts and fittings and accessories. It also supplied and supplies financing for vehicles and vehicle maintenance services. The business operates from a showroom in Thirsk, North Yorkshire. On average Mr Fawcett says they have between 30 and 50 vehicles for sale and the showroom has between 10 and 40 visitors per week. The visitors travel from all over the United Kingdom. Twisted also sells from its website www.lrmotors.co.uk and has done so since November 2015. The domain name for that website was registered in October 2015. The company trading as LR Motors has been active on other websites such as AutoTrader.co.uk, motors.co.uk, and pistonheads.com. Mr Fawcett estimated that he had placed over 130 adverts since November 2015. It has also been an eBay member and its site has thousands of views and hundreds of people watching its goods. It operates a Facebook page and an Instagram page each with several hundred followers. Mr Fawcett exhibited screen shots of the LR Motors website as it appeared on 30 April 2016 as well as advertisements in Autotrader and other magazines including those

dedicated to Land Rover cars. LR Motors describes itself in its advertising material as a small independent motor company who offers exclusively Land Rover Defenders: “We are really fanatical about the iconic Defender and have combined knowledge and experience in excess of 50 years”. Under the heading “Why buy from us?” the website refers to the fact that all vehicles are “subjected to a health check prior to sale” and are supplied with 12 months MOT and a full service together with other attractive features. Mr Fawcett says that the sign has been in continuous use in connection with LR Motors since November 2015. He has been an enthusiast for Land Rover cars all his adult life and he has never known Jaguar or Land Rover to supply goods or services under the sign “LR” in the United Kingdom.

5. Jaguar provided evidence in the form of a witness statement from Amanda Beaton, Global IP Counsel for Jaguar. She described Jaguar as a global manufacturer of cars producing and selling 580,000 vehicles in 2016 with turnover in excess of £22 billion in 2015/16.
6. Ms White recorded in her decision that at the hearing Ms Wakerley, appearing for Jaguar, accepted that the evidence provided by Twisted demonstrated that its business enjoys a goodwill but that Jaguar argued that this was limited to retail services in respect of motor vehicles. She also recorded that Ms Wakerley had stated that Jaguar was not running a “senior user” argument, in other words that Jaguar were not claiming that they had used the sign “LR” at any time before the filing date of the trademark application. That meant that the relevant date for assessing whether Twisted could have maintained an action for passing off was the filing date of 23 August 2016. Ms White also said that in any event, the use of “LR” by Jaguar was “either so scarce as to have no consequence or is otherwise from other jurisdictions”: [12].
7. Ms White then summarised the principles of passing off as set out in the judgment of HHJ Melissa Clarke in *Discount Outlet v Feel Good UK* [2017] EWHC 1400 (IPEC). The three elements of the tort are goodwill or reputation, misrepresentation leading to deception or a likelihood of deception and damage resulting from the misrepresentation. She cited Halsbury’s *Laws of England* as regards likelihood of deception, the key to which, she said, is that members of a relevant class of persons will mistakenly infer from the defendant’s use of the name, mark or other feature that the goods are from the same source or are connected with the claimant. She referred to the definition of goodwill from *Inland Revenue Commissioners v Muller & Co’s Margarine Ltd* [1901] AC 217, and cited a passage from the judgment of Dillon LJ in *Chelsea Man Menswear Ltd v Chelsea Girl Ltd and another* [1987] RPC 189 (CA) providing guidance on where a misrepresentation arises. In the latter case, Chelsea Man Menswear was a small business trading as menswear wholesalers under the name of ‘Chelsea Man’. They had modest sales compared with the defendant, Chelsea Girl, which was a very substantial chain store trading throughout the UK in mass produced women’s clothing. Chelsea Girl decided to extend their business to menswear by opening a chain of shops under the name ‘Chelsea Man’ intended to be adjacent to or sharing premises with the Chelsea Girl shops. At trial Whitford J had found that the plaintiffs had established a reputation in the name Chelsea Man. That reputation could not be considered to be confined to the areas in which their shops were located. The court was therefore justified in granting a nationwide injunction. On appeal, the defendants argued that the injunction should be restricted to the three

areas in which the plaintiffs had established that they had goodwill. The appeal was dismissed. The Court of Appeal held that where it was clear that the defendants intended to open a chain of Chelsea Man stores nationwide, and not just in locations far from where the plaintiffs had established their reputation, a nationwide injunction should be granted.

8. Paragraph 20 is the key paragraph in Ms White's decision. She held that:
 - i) the sign relied on to oppose the registration of the trademark 'LR' by Jaguar is 'LR Motors'. The word 'motors' is descriptive or otherwise very weak for the field of activity question.
 - ii) The signs are highly similar.
 - iii) The argument put forward by Jaguar was that there could be no misrepresentation because Jaguar is a manufacturer of motor vehicles and LR Motors' business was only in retailing motor vehicles. However, Ms White rejected the submission that there was a sufficient gap between these activities to ensure there would be no misrepresentation. She held that in the absence of any evidence to the contrary, the respective fields of activity between the parties could and did overlap.
 - iv) Although Jaguar was a very successful business and the goodwill of LR Motors more modest, the goodwill was not trivial and was not limited to a solitary location. The sign had an Internet presence and customers came from various locations around the United Kingdom.
 - v) Ms White said, referring by analogy to the *Chelsea Man* case, that it was not unreasonable to envisage a scenario whereby Jaguar would locate in a position local to Twisted. In such circumstances and bearing in mind the closeness of the signs and the relative closeness of the fields of activity, she concluded that customers upon seeing Jaguar's goods marked "LR" will be misled.
 - vi) She held that damage would inevitably follow from such a misrepresentation. Any event affecting Jaguar, for example the recall of a vehicle or another technical issue was likely to affect Twisted.
9. Ms White therefore refused Jaguar's application for registration in respect of all the goods other than bicycles and scooters and related goods.
10. The correct approach to appeals from the Registrar to either an Appointed Person or to this court was described by Arnold J in *Apple Inc v Arcadia Trading Limited* [2017] EWHC 440 (Ch). Those principles are that:
 - i) It is only in a rare case that the appellate court should overturn conclusions of primary fact.
 - ii) Where the decision is a multifactorial assessment or evaluation, the court should show a real reluctance to interfere in the absence of a distinct and material error of principle.

- iii) It is not necessary for the degree of error to be something that is clearly or plainly wrong but mere doubt about the decision will not suffice to warrant appellate interference.
 - iv) In evaluating the evidence, the appellate body is entitled to assume, absent good reason to the contrary, that the Registrar has taken all of the evidence into account.
11. Jaguar's main criticism of Ms White's ruling is that she failed properly to take into account the unusual feature of this case which is that the letters 'LR' incorporated by Twisted into its sign LR Motors refer to 'Land Rover'. Twisted's customers would understand this to be the case, given that Twisted promotes its business as relating exclusively to Land Rover Defender vehicles. That factor means, Jaguar submits, that there can be no misrepresentation here. Mr Hicks appearing from Jaguar referred me to a passage in the judgment of Jacob LJ in *Phones 4U Ltd v Phone4U.co.uk Internet Ltd* [2006] EWCA Civ 244; [2007] RPC 5 where he describes the distinction between "mere confusion" which is not enough to amount to a misrepresentation and "deception" which is: [16]. Jacob LJ concluded that 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".
 12. Mr Hicks submits that applying this test, the use of the mark "LR" could not amount to a misrepresentation and no one would be deceived. If customers understand 'LR' as used by Twisted to refer to Land Rover cars, then they will not be misled by the use of those initials by Land Rover on its vehicles, parts and accessories because they will consider that those initials indicate that the goods are made by Land Rover – which indeed they are – not that the goods are being sold by Twisted. Therefore, in so far as customers think there was a connection between the initials "LR" as used by Land Rover if the mark is registered and the initials used in "LR Motors", that connection is not a misrepresentation but a true representation; the connection is that the cars and accessories being sold by both businesses are all made by Jaguar Land Rover.
 13. Mr Hicks also argues that LR Motors' goodwill was limited to a narrow activity, namely the sale of Land Rover Defender vehicles. He pointed out that Jaguar is not seeking to register the mark for retail services, only for the goods themselves. However, he accepted in argument that the use of the marks might extend to advertising material, brochures and displays in the Jaguar showroom as well as to fixing the mark to the goods themselves or their packaging.
 14. In my judgment Jaguar has not shown that Ms White went wrong in any way in her assessment of this opposition and certainly have not shown that she went wrong to the degree that would entitle this court to interfere with her decision. I agree with Ms McFarland's submissions on behalf of Twisted that the underlying assumption on which Jaguar's challenge rests, namely that everyone realises that the initials "LR" in "LR Motors" refer to Land Rover, is simply an assertion by Jaguar with no evidence to support it. The undisputed evidence was that Jaguar Land Rover has never used the initials "LR" as a sign for its goods in this country. Jaguar stated at the hearing that it was not putting forward any use of "LR" prior to the application for registration in support of its application. I accept that this was primarily relevant to the question of the date of assessment but it also confirms the conclusion that there is no basis for

saying that customers of LR Motors would realise that the initials “LR”, if used by Land Rover, refer only to Jaguar Land Rover and are not connected with LR Motors.

15. Jaguar also accepted that Twisted had built up goodwill in its sign. Mr Fawcett’s evidence was that he is particularly concerned that if Jaguar starts to trade or offer goods under the mark “LR” it will increase the likelihood that customers will think that LR Motors is one of Jaguar’s authorised dealers. He takes pride in being an independent supplier. As an independent retailer he believes the business can offer a more personalised service and supply products at a better price than Jaguar. If customers are under the impression that his showroom and other sales sites are part of Jaguar, they may think that the goods will be more expensive as a result. He describes his business’ ethos as about building long-term relationships with customers and not being driven solely by making a sale on the day that the customer first visits the showroom.
16. Ms White addressed the question of the extent of LR Motors’ goodwill, the existence of which was conceded by Jaguar. She referred to the websites and other evidence showing that although Twisted had only one bricks and mortar showroom, it advertised and sold goods across the country. She was entitled on the evidence before her to reject the contention that Twisted’s business was localised to an extent that prevented it from being able to oppose the nationwide use of the mark if registered by Jaguar. She also addressed the point that Mr Hicks makes of the distinction between the manufacture of the goods by Land Rover and the retail service provided by Twisted. Again, there was plenty of evidence on which she could base her conclusion that there was sufficient overlap in the fields of activities in which both businesses wished to use the sign. Although Mr Hicks asserts that there is “no reason why members of the public would assume that LR branded goods sold by Jaguar emanate from LR Motors”, what Ms White decided on the evidence before her was that there was such a reason, namely that LR Motors had established goodwill in the sign, there was no concurrent use by Land Rover and there was sufficient overlap between LR Motors’ activities and those of Jaguar.
17. Ms White was entitled to decide that LR Motors would have succeeded in a passing off claim against Jaguar in August 2016 and therefore that the opposition should be upheld. I therefore dismiss the appeal.