

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATION **m** 2100457
BY JIT SINGH CHOHAN
TO REGISTER THE TRADE MARK
ESPIRIT

AND

IN THE MATTER OF OPPOSITION
THERE TO UNDER OPPOSITION **m** 46109 BY
GROUP LOTUS LIMITED

TRADE MARKS ACT 1994

IN THE MATTER of trade mark
application m 2100457 by
Jit Singh Chohan

5 and

IN THE MATTER OF opposition
thereto under opposition m 46109
by Group Lotus Ltd

DECISION

10 Mr Jit Singh Chohan applied on 16 May 1996 to register the trade mark ESPRIT in class 12. Following examination, the application was advertised for opposition purposes in respect of the following goods:

15 “Bicycles and all parts and fittings relating to the aforesaid bicycles included in Class 12; but not including tyres, inner tubes and covers for tyres or any goods similar to these excluded goods.”

The application is opposed by Group Lotus Limited. I summarise the grounds of opposition as follows:

- 20 Ž Section 5(2) - The opponent is the proprietor of an earlier registration of the mark ESPRIT in respect of motor land vehicles and parts/fittings etc..
- Ž Section 5(3) - Insofar as the goods of the application in suit are not similar to the opponent's earlier registration, it is claimed that the opponent's mark has a reputation in the United Kingdom, and that use of the mark applied for would take unfair advantage of, and would be detrimental to, the distinctive character and repute of the opponent's mark ESPRIT.
- 25 Ž Section 5(4)(a) - The opponent claims to be able to prevent use of the applicant's mark by virtue of the law of passing off.

In response, the applicant filed a counterstatement admitting the existence of the opponent's prior registration, but denying each of the grounds pleaded.

Both parties ask for an award of costs in their favour.

30 Neither party has requested a hearing; accepting instead that the Registrar should make his decision on the basis of the written evidence, and having regard to certain written submissions sent in on behalf of the respective parties. Acting on the Registrar's behalf and after a careful study of all the papers, I now give this decision.

The Evidence

Only the opponent filed evidence in these proceedings; a statutory declaration by Jon Messent dated 10 June 1997. Mr Messent is the Company Secretary of Group Lotus Limited. He confirms the following details relating to the prior registration relied upon by the opponent in relation to section 5:

<u>No</u>	<u>Mark</u>	<u>Class</u>	<u>Goods</u>
1055222	ESPRIT	12	Motor land vehicles, and parts and fittings therefor included in Class 12. (But part cancelled in respect of: "Tyres for vehicle wheels, inner tubes and covers for the aforesaid tyres, parts and fittings for all the aforesaid cancelled goods and goods of the same description as all the aforesaid cancelled goods.")

He goes on to state that his company has been selling motor vehicles under the name ESPRIT since 1976. The sales are currently running at between 300 and 400 vehicles per year, and total sales now exceed 9,000.

Mr Messent also says that in his opinion the marks ESPRIT and ESPIRIT are so similar that they would be confused by members of the public. He adds that if anyone other than his company were to sell bicycles or parts for bicycles under the name ESPIRIT, he believes the public would be deceived into thinking that the bicycles would have some connection with his company.

Finally, Mr Messent concludes by referring to the LOTUS racing bicycle designed by his company and used by Chris Boardman to win a gold medal at the 1992 Olympic Games. He claims that the bicycle became very famous because of its design features and its success, and that as a result his company has come to be associated with bicycles.

That concludes my review of the evidence, and I turn to consider the respective grounds upon which this opposition has been brought.

Section 5(2)(b)

This section of the Act reads:-

‘(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.’

So far as I am aware, the test for similar marks advanced by Parker J in the Pianotist case¹ is still good law. At page 777 line 26, he says:-

5 “You must take the two words. You must judge of them, both by their look and by their sound. You must consider the goods to which they are to be applied. You must consider the nature and kind of customer who would be likely to buy those goods. In fact, you must consider all the surrounding circumstances; and you must further consider what is likely to happen if each of these trade marks is used in a normal way as a trade mark for the goods of the respective owners of the marks. If, considering all those circumstances, you come to the conclusion that there will be a confusion - that is to say, not necessarily that one man will be injured and the other will gain
10 illicit benefit, but that there will be a confusion in the mind of the public which will lead to confusion in the goods - then you may refuse the registration, or rather you must refuse the registration in that case.”

15 Comparing the two marks in this case, I find that the only difference is the additional letter ‘I’ in the centre of the applicant’s mark. When the two words (ESPRIT and ESPIRIT) are pronounced carefully, the additional letter creates a difference between the sound of the two marks. It adds an extra syllable. But visually the difference is much less striking; the additional letter ‘I’ being positioned between two other letters with prominent vertical elements. Taking the best view I can of the matter, it seems to me that the visual similarity
20 between these marks, particularly to the casual observer, will mean that often the additional letter will be overlooked. I therefore find that the marks are similar.

25 The next issue to be decided in relation to section 5(2) is whether the applicant’s mark is to be registered for goods similar to those for which the opponent’s mark is already registered, such that there could be a likelihood of confusion. The respective goods are essentially motor land vehicles (opponent) and bicycles (applicant). In each case, parts and fittings are included, and tyres, inner tubes and covers are excluded.

30 The opponent has pointed out in written submissions that at least one other car manufacturer, Peugeot, also manufactures bicycles. However there is no evidence in these proceedings which suggests that this is common in the trade. On the other hand, the applicant has emphasised in his written submissions that the only bicycle produced by the opponent was associated with the name LOTUS, not ESPRIT - this is consistent with Mr Messent’s evidence.

Guidance on how such a comparison between respective goods should be made is to be found in the Treat case². Jacob J says, at page 296 line 25:

35 “I think the sort of considerations the court must have in mind are similar to those arising under the old Act in relation to goods of the same description. I do not say this because I believe there is any intention to take over the conception directly. There plainly is not. But the purpose of the conception in the old Act was to prevent marks from conflicting not only for their respective actual goods but for a penumbra also. And the purpose of similar goods in the Directive and Act is to provide protection and separation for a similar sort of penumbra. Thus I think the following factors must be relevant in considering whether there is or is not similarity:

¹ Pianotist Co’s Application [1906] 23 RPC

²British Sugar PLC v James Robertson & Sons Ltd [1996] RPC 281

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

15 This is rather an elaboration on the old judicial test for goods of the same description¹⁷. It seeks to take account of present day marketing methods. I do not see any reason in principle why, in some cases, goods should not be similar to services (a service of repair might well be similar to the goods repaired, for instance). I do not pretend that this list can provide other than general guidance. The fact is that the Directive and hence our Act have introduced an area of uncertainty into the scope of registration which in many cases can only be resolved by litigation.”

Footnote reference

20 ¹⁷ See per Romer J. in *Jellinek’s Application* (1946) 63 R.P.C. at p.70, approved by the House of Lords in *DAIQUIRI RUM Trade Mark* (1969) R.P.C. 600 at page 620.

25 In the present case, the first three factors (a-c) of the above test do not in my opinion provide a conclusive answer either way. For example, land motor vehicles and bicycles are both forms of transport, although the former category undoubtedly has a much broader range of potential uses. Clearly the same applies to respective users — the same person will often use both forms of transport, though usually in different circumstances. Thus in relation to the first three factors, whilst there is an area of overlap between the respective goods which suggests a degree of similarity, the area of overlap is not sufficient to determine the matter.

30 The remaining three factors (d-f) argue much more strongly that the goods are not similar. Bicycles clearly do not compete in the market place with motor land vehicles. Neither, in general, do they reach the market through the same trade channels. Even in a situation where the same company manufactures cars and bicycles (eg Peugeot), it does not follow that the trade channels coincide, or to put it another way, that the consumer would be able to obtain
35 either a car or a bicycle from the same dealer. The same can be said of the respective parts and fittings — as a general rule they will not be interchangeable, although I am aware from personal experience that parts and fittings for bicycles and cars can sometimes be found in the same retail outlets.

Taking all these factors set out in the “Treat” case quoted above, into account, I find that the goods covered by the opponent’s registration are not similar to those proposed for registration by the applicant. The opposition under section 5(2) fails accordingly.

Section 5(3)

5 I turn now to the opposition under section 5(3), which reads:

“(3) A trade mark which

(a) is identical with or similar to an earlier trade mark, and

(b) is to be registered for goods or services which are not similar to those for which the earlier trade mark is protected,

10 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, 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.”

15 I have already decided in relation to section 5(2) that the two marks are similar, but that the goods at issue are not similar. I must therefore go on to consider whether the opponent’s mark has a reputation in the United Kingdom, and if so, what is the extent of that reputation. Unfortunately the evidence on this point is extremely thin. All I am told is that the opponent currently sells between 300 and 400 vehicles per year, and that total sales (expressed in terms of volume I presume) exceed 9,000. For a car manufacturer, I am conscious that these are very
20 low, even *de minimis* quantities. Nevertheless it is often the case, particularly in relation to high quality goods, that reputation is not synonymous with market share. Often the exclusivity of the goods contributes significantly to the reputation enjoyed by the brand owner. Consequently the low level of sales indicated by the opponent in this case does not necessarily
25 mean that the opponent does not have a reputation in the mark ESPRIT. But neither can it prove the converse - ie that the opponent does have a reputation.

It follows that in such situations an opponent cannot rely on the quantity of sales alone to establish that it has a reputation in the United Kingdom in respect of those goods. In this case, other than the meagre sales levels indicated above, there is no evidence to support the opponent’s claim to a reputation. In the absence of evidence on the point, I am not in a
30 position to make assumptions as to the opponent’s reputation. The opponent has therefore failed to establish that the earlier mark has a reputation in the United Kingdom, and the opposition under section 5(3) fails accordingly.

Section 5(4)

I turn now to the opposition under Section 5(4), which reads as follows:-

35 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

(b) by virtue of an earlier right other than those referred to in subsections (1) to (3) or paragraph (a) above, in particular by virtue of the law of copyright, design right or registered designs.

5 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.

The opponent claims to have a sufficient reputation in the trade mark ESPRIT to be able to prevent the applicant from using the mark ESPIRIT by virtue of the law of passing off. In order to succeed in an action for passing off, a plaintiff must first establish a number of facts. These requirements are described in the Jif Lemon case³, and are summarised conveniently in the head note to that decision. For convenience, I reproduce the relevant paragraph from page 342 below:

15 “(1) The law of passing off could be summarised in one short, general proposition: no man may pass off his goods as those of another. More specifically, it could be expressed in terms of the three elements, each a question of fact, which a plaintiff had to prove in order to succeed. These were (a) that there was a goodwill or reputation attached to the goods or services which he supplied in the mind of the purchasing public by association with their identifying get-up, (b) that there was a misrepresentation to the public likely to lead the public to believe the goods or services offered by him were the goods or services of the plaintiff, and (c) that he was suffering or was likely to suffer damage by reason of the erroneous belief engendered by the defendant’s misrepresentation. It was irrelevant whether or not the public was aware of the plaintiff’s identity as the manufacturer or supplier of the goods in question, as long as they were identified with a particular source (p.406).”

25 The first of the three elements which the opponent must prove in order to succeed is therefore “goodwill or reputation”. I have already considered this element in relation to section 5(3) and concluded that the opponent has not established that its mark has a reputation. For the same reasons as given in relation to section 5(3) above, it seems to me that the opponent could not succeed in an action for passing off against the applicant. Not that is, on the basis of the evidence filed in these proceedings. The opposition under section 5(4) also fails.

30 *Costs*

The applicant, having been successful in these proceedings, is entitled to a contribution towards the costs of defending the application. I therefore order the opponent to pay to the applicant the sum of **£150**.

Dated this 2nd day of July 1998

35 **Mr S J Probert**
Principal Hearing Officer
For the Registrar, the Comptroller-General

³Reckitt & Colman Products Ltd v Borden Inc and others [1990] RPC 341