

**TRADE MARKS ACT 1938 (AS AMENDED) AND
TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO 1589591
BY INTERNATIONAL TYRE BRANDS LIMITED
TO REGISTER A SERIES OF MARKS
IN CLASS 36**

AND

**IN THE MATTER OF OPPOSITION THERETO UNDER NO 44888
BY AUTO-STOP TYRE AND EXHAUST DISCOUNT CENTRES LIMITED
(FORMERLY UTOPIA ASSOCIATES LIMITED)**

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15 **DECISION**

20 On 28 October 1994 International Tyre Brands Ltd applied to register AUTOSTOP and
AUTO STOP as a series of two marks for a specification of services which reads:

25 “Credit, debit, cash and smart card services; discount card services; provision of
personal identification cards, all for use in financial transactions; financing of
purchases; loan services; issuing statements of account; information, advisory and
consultancy services, all relating to the aforesaid; all included in Class 36.”

30 The application is numbered 1589591.

On 10 July 1996 Auto-Stop Tyre and Exhaust Discount Centres Ltd(at the time called Utopia
Associates Ltd) filed notice of opposition expressed in the following terms:

35 “Autostop Car Care Centres Limited (“the Company”) started in business in
approximately 1990 and has operated in the Midlands area in the business of tyre and
exhaust and car servicing. The Company has, over the last six years, spent substantial
sums of money in promoting the name and Autostop “image” and has established a
well known reputation in the Midland area. Indeed, the Applicant is well aware of the
use of the name and Autostop’s registered trade marks and has previously been in
discussions with the Company to purchase the said name.

40 The Opponent has purchased the goodwill and assets of Autostop and has, in
particular, purchased the right to use the name and the unregistered trade marks of the
Company and objects to the grant of the trade mark to the Applicant as it will
prejudice the substantial goodwill which the Company has established in the Midland
area and which the Opponent has purchased.

45 Further, it is the intention of the Opponent to expand the Autostop business
nationwide.”

The applicants filed a counterstatement denying the allegations in the grounds of opposition and putting the opponents to strict proof of the statements made in paragraph 1 of the statement. Neither side has asked for a hearing. I, therefore, base this decision on the papers filed.

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By the time this matter came to be decided, the old Act had been repealed in accordance with Section 106(2) and Schedule 5 of the Trade Marks Act 1994. These proceedings having begun under the provisions of the Trade Marks Act 1938 however, they must continue to be dealt with under that Act in accordance with the transitional provisions set out at Schedule 3 of the 1994 Act. Accordingly, all references in this decision are references to the provisions of the old law, unless otherwise indicated.

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I should say at this point that this opposition which is proceeding under the 1938 Act was lodged at the same time as opposition to another application by the same applicants filed under the Trade Marks Act 1994. In view of the fact that different Acts were involved it would not have been possible to consolidate the separate actions even if the parties had been agreeable. However the grounds have been expressed in similar terms in each case. It will immediately be apparent that this creates something of a problem as the applicants have failed to link their objections to any particular Section of the respective Acts. I have considered whether in these circumstances I should, even at this late stage, remit the matter back to the parties for clarification. I have decided not to do so because it is at least clear from the grounds as framed that the opponents are relying on their or their predecessors in business' use and goodwill in relation to a business conducted under the name Autostop. The opponents do not lay claim to or have not referred to any registrations which might underpin an objection under Section 12 of the Trade Marks Act 1938. It is however reasonable to infer that so far as this application is concerned their objection falls to be considered under Section 11 of the Act. I intend to proceed on that basis.

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Opponents' Evidence

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The opponents filed a statutory declaration by Andrew George Burgess, their Managing Director. The substance of his declaration is as follows:

“2. On 10th July 1996, my Company purchased the assets and the goodwill in the business of Auto Stop Car Care Centres Limited. My Company subsequently changed its name from Utopia Associates Limited to Auto-Stop Tyre & Exhaust Discount Centres Limited on 29 July 1996. There is now produced and shown to me market Exhibit AGB1, a copy of the Sale and Purchase Agreement, dated 10th July 1996 pertaining thereto and a copy of the Certificate of Change of Name.

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3. The Company Auto Stop Car Care Centres Limited was incorporated on 13th November 1990 and I understand began using the Trade Mark AUTO-STOP from that date in relation to the sale of car parts and provision of car repairing and servicing and continued to do so until we purchased the business as a going concern from the Liquidator. There is now produced and shown to me marked Exhibit AGB2 a copy of

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the Certificate of Incorporation of Auto Stop Car Care Centres Limited. There is now produced and shown to me Exhibit AGB3 literature showing the nature of the goods and services in relation to which the Trade Mark AUTO-STOP has been used.

5 4. When my Company purchased the assets and goodwill of Auto Stop Car Care Services Limited, we continued to run the business under the name Auto-Stop Tyre & Exhaust Discount Centres Limited and continued to provide the same range of goods and services. There is now produced and shown to me marked Exhibit AGB4 copies of my Company's current literature showing use of the name AUTO-STOP.

10 5. Set out below are approximate turnover figures taken from the Company accounts of Auto Stop Car Care Centres Limited relating to the sale of goods and provision of services under the Trade Mark AUTO-STOP from November 1990 to December 1994, which illustrate that there was significant use of the Mark by our predecessors in title prior to the date of Application of 1589591, namely 28th October 1994.

	Year	Turnover
	Year ended 30/11/91	£347,000
20	Year ended 30/11/92	£573,000
	Year ended 31/12/93	£562,000
	Year ended 31/12/94	£437,000
	Year ended 31/12/95	£345,000

25 6. The goods and services bearing the Trade Mark AUTO-STOP have been widely advertised and promoted over the last six years by various means. Both my Company and our predecessors in title have advertised in the local press, in particular the Shropshire Star (advertisements are now placed weekly) Telford Journal and Newport Advertiser; we have both distributed sales literature as shown in Exhibits AGB3 and 30 AGB4; we have both advertised in Yellow Pages and the Thompson Directory; we have both advertised regularly on Beacon Radio. Our predecessors in title also distributed 20,000 keyrings featuring the Trade Mark and sponsored the local golf club "The Shropshire". My Company has also advertised at the Telford Multi-Screen cinema, with 240 advertisements appearing a week and my Company is currently 35 organising a 90,000 leaflet drop.

40 7. The Company accounts of our predecessors in title show that on average approximately £24,000 was spent per annum in the first three years from 1990 to 1993 on advertising and promoting goods and services provided under the Mark AUTO-STOP. This does not take into account salaries paid to staff in charge of advertising and sales. My Company now spends on average £40,000 per annum on advertising goods and services bearing the Trade Mark.

45 8. It is hereby confirmed that my Company and its predecessors in title have sold goods and provided services bearing the Trade Mark AUTO-STOP from the Telford premises to customers from Wolverhampton, Telford, Newport, Shrewsbury, Bridgnorth, Much Wenlock, Church Stretton, Eccleshall and Wellington."

Applicants' Evidence

The applicants filed statutory declarations as follows:

5	Martin Lawrence Wood	-	dated 6 October 1997
	Robert Lionel Cook	-	dated 7 October 1997
	Philip John Dongworth	-	dated 9 June 1998
	David William Stirk	-	dated 9 June 1998
	Stephen Jeffrey Hill	-	dated 8 June 1998
10	Peter Gardner	-	dated 4 March 1999
	Leslie Collins	-	dated 30 June 1999

Mr Wood is the applicants' Managing Director. He says that the opponents first used the trade mark AUTOSTOP in the United Kingdom in 1995 in respect of a franchised dealer network and associated services and has used the mark continuously since that date. He lists the range of goods and services concerned (car parts and machinery, car repair and servicing etc) and the turnover and advertising figures. I do not propose to record details of the opponents' use as of their own admission use commenced after the material date in these proceedings. Suffice to say that on the evidence it is a business of considerable size. Exhibits MLW1 to MLW6 have been supplied by way of substantiation of the underlying claims. I should record also that contained within this material are print-outs of various registrations/applications standing in the name of the opponents.

In relation to the opponents' case he comments as follows:

“With reference to the Statutory Declaration submitted by Andrew George Burgess, Managing Director of Auto-Stop Tyre & Exhaust Discount Centres Limited, I make no comment on the validity of the purported use of the AUTO-STOP by that company or their predecessors in title. However, it is clear from the foregoing that International Tyre hold the earlier trade mark rights to AUTOSTOP and also have substantial common law rights. The annual turnover figures quoted by the Managing Director of Auto-Stop Tyre & Exhaust Discount Centres Limited are insignificant when compared to the motor trade industry as a whole and indeed when set against the turnover figures quoted on behalf of International Tyre at paragraphs 4 and 5 above. The same comments would apply to the figure quoted by the Managing Director of Auto-Stop Tyre & Exhaust Discount Centres with reference to advertising and promotion. The figure is very low when compared to promotional expenses in the trade as a whole and the figures set out on behalf of International Tyre at paragraph 6 above. Additionally the Statutory Declaration and exhibits filed on behalf of Auto-Stop Tyre and Exhaust Discount Centres Limited indicate that any use of AUTO-STOP by the Opponents has been on an extremely limited range of products and on an extremely localised basis - no use having apparently taken place outside the Telford area.

By virtue of the extensive use and promotion of the products and services under the AUTOSTOP Trade Mark by International Tyre and their earlier Trade Mark rights, I believe that the Trade Mark AUTOSTOP has become distinctive of International Tyre. There is no reason why the limited use of AUTO-STOP purported to be shown on

behalf of Auto-Stop Tyre & Exhaust Discount Centres should prevent International Tyre's application from proceeding to registration. I respectfully request the Registrar to dismiss the Opposition."

5 Mr Cook is the principal of Robert Cook associates an organisation offering legal and commercial services specialising in intellectual property matters. His declaration is a lengthy one dealing with the trading activities of Auto Stop Tyre & Exhaust Discount Centres and contains within the supporting exhibits a supplemental updating report compiled in
10 September/October 1997. As Mr Cook's investigations first began in October 1996 and relate in the main to corporate changes after the material date in the proceedings I do not need to offer a full review of his declaration. The main points seem to me to be;

15 S efforts to contact Auto Stop Tyre & Exhaust Discount Centres T/A as AUTOSTOP were unsuccessful. However, Mr Cook traced a company called Nationwide Car Care Centres and learned that it formerly traded as Autostop Car Care Centres Ltd (Company No. 2557726) I take this to be the company, the assets and goodwill of which were purchased by Mr Burgess' company.

20 S at the date of Mr Cook's enquiries Auto Stop Car Care Centres was in liquidation

25 S Mr Cook says that "Our conclusions based upon our initial enquiries were that there was clear evidence of use of the trade mark AUTO STOP by Mr Keith Kendall (a Director of Auto Stop Car Care Centres Ltd) during the previous five years. However the use of the mark appeared to be by Company No. 2557726 and the relevant company was in liquidation and awaiting dissolution."

30 S a subsequent visit to the trading estate where the opponents are said to be based revealed a different company (Shropshire Autocare Ltd) operating from the address. A member of staff on site claimed that 'Autostop does not exist anymore'. No evidence of goods or services being sold under the mark AUTOSTOP or AUTO-STOP were found.

35 S a number of the further conditions Mr Cook seeks to draw seem to me to be of doubtful relevance or insufficiently substantiated.

40 Messrs Dongworth, Stirk and Hill are from companies which are approved franchisees of the applicants. They attest to their authorised use of the mark AUTOSTOP and give examples of advertising. Their view is that use of the mark by third parties would deceive and cause confusion.

45 Mr Gardner is the editor of Tyres & Accessories magazine. He says he is familiar with the applicants and associates AUTOSTOP with them. He confirms that use began early in 1995.

Mr Collins is Company Secretary of Continental Tyre Group Ltd, a supplier to the motor accessories sector. Like Mr Gardner he confirms he is familiar with the applicants, associates AUTOSTOP with them and places first use in 1995.

5 That completes my review of the evidence.

Section 11 reads:

10 “11. It shall not be lawful to register as a trade mark or part of a trade mark any matter the use of which would, by reason of its being likely to deceive or cause confusion or otherwise, be disentitled to protection in a court of justice, or would be contrary to law or morality, or any scandalous design.”

15 The established test for an objection under this Section is set down in Smith Hayden and Company Ltd’s application (Volume 1946 63 RPC 101) later adapted by Lord Upjohn in the BALI trade mark case 1969 RPC 496. Adapted to the matter in hand the test may be expressed as follows:

20 Having regard to the user of the mark AUTO-STOP, is the tribunal satisfied that the marks applied for, AUTOSTOP and AUTO STOP, if used in a normal and fair manner in connection with any services covered by the registration proposed will not be reasonably likely to cause deception and confusion amongst a substantial number of persons?

25 The opponents in these proceedings purchased the assets and goodwill of Auto Stop Car Care Centres Ltd (for ease of reference hereafter ASCCC). The applicants have, through Mr Cook’s evidence, suggested that the successor to that business was Nationwide Car Centres Ltd (NCC) and not the opponent company. Mr Cook’s enquiries also revealed a company called Shropshire Autocare Ltd operating from the address previously given for NCC. I note
30 too that the opponents’ own evidence shows both ASCCC advertisements (Exhibit AGB3) and later a ‘Now Under One Roof’ advertisement (AGB4) advertising NCC, Auto-Stop Discount Tyres and Exhausts and Shropshire Wheel Shine, all operating from the same address. The most likely explanation is that these operations were under the same corporate control though the point could perhaps have been better explained. But whatever the
35 corporate structure of the opponents’ business after the acquisition of ASCCC in July 1996, it is not directly relevant to the position at the material date in these proceedings which is the application filing date of 28 October 1994. The opponents’ predecessor in title had by that time been trading for some four years in relation to the sale of car parts and a range of associated services (see Exhibit AGB3 for details). I do not understand the applicants to
40 challenge that evidence. Mr Wood simply says that he makes ‘no comment on the validity of the purported use of AUTO-STOP by that company [the opponents] or their predecessors in title’. The opponents’ evidence is in any case corroborated by the company reports and accounts filed as exhibits (RLC5) to Mr Cook’s declaration. The directors’ reports (typically) say that “the company’s principal activities are that of suppliers and fitters of vehicle tyres and
45 exhausts and motor vehicle services and repairers”. Notes to the Accounts in turn say that

“the turnover and profit before taxation is attributable to the principal activities of the company and is all derived from the United Kingdom”. The turnover figures quoted correspond to those contained in Mr Burgess’ declaration. I have recorded those figures above.

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Mr Wood in his evidence for the applicants criticises the opponents’ (or rather their predecessors’) use. He says that the turnover and advertising etc figures are insignificant when compared to the motor trade industry as a whole and by comparison with his own firm’s trading levels. He also suggests that the opponents’ trade has been in a limited range of products and on a localised basis.

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I accept that the opponents’ use has not been on the same scale as that of the applicants. However, turnover figures in the region of £½ million per annum cannot be dismissed as being insubstantial. It is true that the trade has been conducted in and around the West Midlands but I have no doubt that ASCCC had a business of some substance in that area.

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The applicants’ by contrast did not commence to trade until 1995 albeit that when they did so it was on a very significant scale. The 1995 date is also confirmed by the applicants’ supporting declarations.

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I therefore conclude that on the evidence the opponents have clearly established priority of user in respect of a range of car parts, car servicing and related services. Self evidently also the respective marks are for practical purposes identical. Use by the applicants of their marks in relation to a comparable range of goods and services cannot fail to lead to confusion amongst a substantial number of persons. The applicants have made no attempt to exclude from their application the geographical area covered by the opponents and, in any case, motorists encountering the applicants’ mark elsewhere may well think it is another branch of the opponents’ business.

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However, although the nature of the applicants’ car care trade is clear and overlaps directly with that of the opponents, this application is not concerned with car parts, car servicing etc but a range of financial services. The question I have to consider, therefore, is whether confusion amongst a substantial number of persons is likely if the applicants trade in these services having regard to the user established by the opponents.

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Evidence that the opponents themselves offer financial services is thin and any claim they might have in this respect has not been developed or explained in Mr Burgess’ declaration though I note that the material in AGB3 refers to the provision of account facilities for business users. More significant perhaps is the introduction of a ‘privilege purchase card’, a copy leaflet for which is exhibited in AGB4. However, it relates to Auto Stop Discount Tyres and Exhausts (as well as NCC and Shropshire Wheel). That appears to place it after the material date. The most that can be said is that it is indicative of a trend towards the development of financial packages to support the core car parts and servicing business.

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The applicants’ evidence indicates that since 1995 they have established themselves as a branded national independent tyre and auto service business. Mr Wood describes it as a franchised dealer network and associated services. The concept is, it seems, to bring together

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independent local suppliers under the AUTOSTOP banner and enable them to benefit from economies of scale and a national support programme. Presumably centralised buying of tyres and other parts enables participants to offer competitive rates.

5 As part of this programme it seems that a number of financial support services are being offered. For example the dealer programme manual at MLW1 indicates that there is an AUTOSTOP own brand credit card which “works like any other credit card, but also acts like a store card designed to help AUTOSTOP dealers gain and retain customers”. Although the applicants’ services are not said to be limited to their provision within the context of a car care business that in practice is clearly what is intended and would constitute normal and fair use within the scope of the registration proposed. I am entitled to, or rather must, consider what the position would be at the material date if these ancillary financial services were offered in support of a car care business in the area in which the opponents have an established trade. Considered on that basis and with my view informed by the applicants’ actual trade, I take the view that confusion would be inevitable. The opposition therefore succeeds under Section 11.

I referred in the evidence summary to the fact that the applicants are the proprietors of a number of other applications or registrations for or incorporating the words AUTOSTOP. It seems that two other applications (Nos. 1589590 and 1589592) filed on the same day as the application that is the subject of this decision proceeded to registration for a range of goods in Class 7 (tyres, exhausts and related goods) and of services in Class 37 (maintenance and repair of vehicles and tyres etc.). The question arises as to what impact if any the existence of these registrations should have on my decision.

25 Although Mr Wood, for the applicants, refers in his declaration to the existence of these (and other) registrations he does not say what he considers the consequence to be in terms of the law. I am conscious that my decision to uphold the opposition for what are, within the overall context of the parties’ businesses, ancillary services sits oddly with the fact that the current applicants have secured registrations for the same marks in respect of their core range of goods and services. Equally it might be said that the opponents are not thereby disentitled from testing their position on the basis of the current action and without prejudice to what other or further actions they may wish to initiate. My decision on this case has, therefore, been based on the evidence filed and the existence of the applicants’ other registrations has not had a bearing on the decision.

35 The opponents are entitled to a contribution towards their costs. I order the applicants to pay the opponents the sum of £635. This sum to be paid within one month of the expiry of the appeal period or within one month of the final determination of this case if any appeal against this decision is unsuccessful.

40 **Dated this 12 day of April 2000**

45 **M REYNOLDS**
For the Registrar
the Comptroller General