

O-287-07

**TRADE MARKS ACT 1994
IN THE MATTER OF APPLICATION No. 2331375
BY MARCH HOLDINGS LTD TO REGISTER
THE TRADE MARK MARCH GRAND PRIX
IN CLASSES 9, 16, 25 AND 35**

AND

**IN THE MATTER OF OPPOSITION No. 93290
BY FORMULA ONE LICENSING B.V.**

TRADE MARKS ACT 1994

**IN THE MATTER OF Application No. 2331375
by March Holdings Ltd to register the Trade Mark
MARCH GRAND PRIX in Classes 9, 16, 25 and 35**

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**IN THE MATTER OF Opposition No. 93290
by Formula One Licensing B.V.**

BACKGROUND

1. On 7 May 2003 March Holdings Ltd applied to register the mark MARCH GRAND PRIX for the following specification of goods and services:

Class 09:

Photographic, cinematographic computer software and games relating to transmitting and reproducing the sound and images of motor vehicles, racing cars, motor cycles and land, sea and air locomotives.

Class 16:

Paper, cardboard and goods made from these materials, printed matter, photographs, printed publications.

Class 25:

Clothing, footwear and headgear.

Class 35:

Advertising; business management; business administration; office functions; all of the aforesaid relating to the creation of sporting and motoring teams.

2. On 17 March 2005 Formula One Licensing B.V. filed notice of opposition citing grounds under Section 3(6), 5(2)(b), 5(3), 5(4) and 56.

3. In relation to Section 3(6) it is said that “the applicant is using the opponent’s earlier mark, GRAND PRIX, within its sign MARCH GRAND PRIX to take advantage of the goodwill and well known nature of the opponent’s mark GRAND PRIX”.

4. The objections under Section 5(2)(b) and 5(3) are based on a single Community Trade Mark No. 1824010 for the mark GRAND PRIX. This is still an application at the time of writing but, as it has a filing date of 24 August 2000, it has the capacity to become an earlier trade mark by virtue of Section 6(2) of the Act. It was filed in Classes 9, 12, 16, 25, 28, 35, 36, 38, 41 and 42.

5. This Community Trade Mark has since been divided with classes 9, 16, 25, 35, 36 and 42 proceeding under No. 5352257 and the remaining classes continuing under the original number, 1824010.

6. In relation to Section 5(3) the opponent says:

“The earlier marks of the Opponent GRAND PRIX is of a distinctive character and the use has been closely regulated to maintain the distinctiveness of the mark as well as its use on the goods and services for which it represents. The use or registration of the mark MARCH GRAND PRIX is taking unfair advantage of the Opponent’s goodwill and reputation in its mark GRAND PRIX. Further the race season for this distinguished motoring event begins, predominantly, in the month of March since at least as early as 1980s and consistently in the month of March since 1990. Therefore the use or registration of the sign MARCH GRAND PRIX is a deliberate effort to take unfair advantage of the opponent’s goodwill and reputation in its mark. The use and registration of the sign MARCH GRAND PRIX will have a detrimental effect on the opponent’s goodwill in the mark GRAND PRIX.”

7. In relation to Section 5(4)(a) use is claimed “for at least the last 10 years” and in particular

“The word mark GRAND PRIX [is] used on organising and staging motor races, televising and broadcasting motor races, provision of information regarding such races, sale of publications, videos, computer programmes and games, video games, as well as merchandise advertising promotion and sponsorship services. The marks has also been used on all the goods and services detailed under Schedule 1.”

(Schedule 1 refers to the details of application Nos. 1824010 and 5352257)

8. In relation to the well known mark claim under Section 56 the opponent says:

“The well known nature of the Opponent’s mark can be shown, for example, by the worldwide live coverage, of the race events when marketed and known as the GRAND PRIX. The mark GRAND PRIX of the Opponent is an earlier well-known mark which should be protected and the mark applied for, MARCH GRAND PRIX, should be refused registration under Section 56 and 6(1) of the Trade Marks Act 1994. The mark applied for is visually, phonetically and conceptually similar to the earlier marks of the Opponent. All the goods and services of the mark applied for are identical or similar to those for which the Opponent’s well known mark is both registered and used.”

9. In each case the objection is raised against all the goods and services of the application.

10. The applicant has filed a counterstatement denying each of the grounds. It explains that March is the name of a racing team that was predominantly involved in Formula 1 racing in the 1960s through to the mid 1980s. March Grand Prix is a successor company and the holder of IP rights. The name MARCH is an acronym formed from the names of the founding members of the early team. It is said that the term ‘Grand Prix’ is a traditional name for a large race/competition and is used worldwide in contests such as snooker grand prix and athletics grand prix.

11. This is one of two cases filed on the same day which are opposed by Formula One Licensing B.V. (the other is being dealt with under no. 93287). The cases are travelling together and have some overlapping features and evidence. However, they involve different marks in terms of the principal objected to element and give rise to different considerations. They are not therefore susceptible to consolidation.

12. Neither party has asked for a hearing. The opponent has filed written submissions dated 2 August 2007. The applicant has filed written submissions that were received in the Office on 3 September 2007. Acting on behalf of the Registrar I give this decision.

Opponent's evidence

13. Patricia Heavey, Trade Mark Manager of Formula One Management Limited, which is part of a group of companies in common ownership with the opponent, has filed a witness statement.

14. She firstly refers to the now divided Community Trade Mark application that forms the basis of this opposition at least so far as the grounds under Section 5(2)(b) and 5(3) are concerned. She also refers to:

- (i) a UK application for the mark BRITISH GRAND PRIX (No. 2361516).
- (ii) other marks in the opponent's portfolio, namely F1 (stylised), FORMULA 1, FIA FORMULA 1 WORLD CHAMPIONSHIP (logo form), F1 FORMULA 1 (logo form).

15. So far as I can see No. 2361516 was never part of the pleaded case. The 'other marks' likewise were not part of the pleaded case in this action (though they were properly pleaded in the related action) and are not directly relevant to this action. Whilst I accept that Ms Heavey may wish to put the opponent's claims in relation to the GRAND PRIX mark into a commercial context I can see no other relevance to these other marks. It is clear, however, from the evidence that use of GRAND PRIX is usually in conjunction with other marks or other matter. I will need to return to this in greater detail below.

16. At this point in the decision it will suffice to provide an overview of the evidence.

17. Paragraphs 5 to 7 deal with the activities of the opponent and the FIA Formula One World Championship.

18. Paragraphs 8 to 13 deal with the prestige of the Championship, the costs and technological achievements of the teams and the consequent attraction of the sport for sponsors and advertisers.

19. Paragraphs 14 to 24 deal with use of the opponent's marks, the way they are seen by the public and the control exercised by the opponent's group. Each race in the Championship is hosted by a promoter. The contractual agreement between the

promoter and the opponent's group specifies the particular round of the Championship, for example BRITISH GRAND PRIX. It is said that there are guidelines and criteria used regarding the event name which includes the opponent's marks. There is enormous television coverage of the races producing cumulative annual European audience figures at or about 1 billion people. There were over 85 million UK viewers (cumulatively in the 2001 season). There is also associated press coverage.

20. Ms Heavey's witness statement goes on to deal with use by the opponent's group within the areas of goods and services of the subject application.

21. Paragraphs 25 to 43 deal with various Class 9 goods. A great deal of information is supplied about the international (television) feed including footage of the race, footage from on-board cameras, information on track and weather conditions and driver (timing) data. The opponent's group licenses computer games based on the sport.

22. Paragraphs 44 and 45 deal with use of the opponent's marks in relation to class 16 goods including race programmes, tickets, flyers, posters etc.

23. Paragraphs 46 to 48 deal with general merchandising including clothing. In 1995 the group entered into an exclusive worldwide licence with Specialised Licensing Services SA, a wholly owned subsidiary of The Walt Disney Company. The agreement ran for three years before being terminated.

24. Paragraphs 49 to 63 deal with use of the opponent's marks in relation to advertising through official sponsorship of each race, track side advertising, team sponsorship, television advertising and advertising space in magazine and programmes.

25. Paragraphs 65 to 71 contain observations on the liquidated company March Engineering and the relationship between March Holdings Ltd and March Racing Ltd. Ms Heavey is of the view that the position whereby each company wholly owns the other is illegal under the companies Act 1985. Furthermore, an on-line search of the Companies House database reveals no record of the company March Grand Prix that is referred to in the counterstatement. Various other claims are made in relation to the applicant's claim to the MARCH brand.

26. Ms Heavey also exhibits a letter from one of the founding members of March Engineering which claims that neither March Holdings Limited nor March Racing Limited has the rights to the expression GRAND PRIX. The letter also expresses the view that the opponent's group is the owner of the rights to the mark.

27. There are some 24 exhibits in support of the various claims made above.

DECISION

Section 3(6)

28. The relevant part of the statute provides that a trade mark shall not be registered if or to the extent that the application is made in bad faith.

29. The opponent's written submissions contain the following:

- “1. In relation to the objection under Section 3(6), the opponent refers the Registrar in particular to paragraphs 64 to 65 of the witness statement of Patricia Anne Heavey dated 9 October 2006 (the witness statement) and the exhibits mentioned in those paragraphs, particularly Exhibit 24. From this section of the witness statement it is clear that the application has been made in bad faith given that the applicant has no rights to the MARCH element of the mark applied for.
2. Further, in view of the opponent's very extensive registered and unregistered rights in the trade mark GRAND PRIX and variations thereon, it is clear that the application has been made in bad faith because it was made in the knowledge of those rights.
3. Similarly, UK trade mark application No 2331374 MARCH FORMULA ONE, which the applicant filed on the same date as the subject application, is a further indication of bad faith, showing the applicant's intention to take unfair advantage of the opponent's extensive registered and unregistered rights.”

30. Exhibit 24, referred to in paragraph 1 above is a letter from a former director of March Racing Ltd written it would seem after being contacted by 'Bernie's office' (Bernie Ecclestone) and informing a Mr Tom Megan that March Racing cannot use the expressions 'Formula One' or 'Grand Prix' without the specific permission of Mr Ecclestone's group.

31. Ms Heavey's evidence also raises the issue of a claimed irregularity in the cross shareholdings of two March companies, one of these being the applicant. The perceived implications (if any) for the trade mark application are not made clear. Reference is also made in paragraph 68 of Ms Heavey's witness statement to a registration of the mark MARCH in Classes 12 and 42 standing in the name of the March Racing Organisation Limited. Ms Heavey suggests that this contradicts the applicant's claim to all the marks, goodwill and branding of the early team. Finally, there is the suggestion that the bad faith claim is reinforced because of the existence of the related application.

32. It will be apparent from the above that the opponent has started a number of hares running and that the ground or potential ground of the attack under Section 3(6) has shifted. However, the statement of grounds and papers that are before me do not disclose any request to amend the pleaded case which, therefore, stands as:

“The applicant is using the Opponent’s earlier mark, FORMULA ONE, within its sign GRAND PRIX to take advantage of the goodwill and well-known nature of the Opponent’s mark GRAND PRIX”.

33. Only paragraph 2 of the opponent’s written submissions and evidence bear any relationship to the ground as pleaded and even the aforementioned paragraph 2 introduces the notion of knowledge of the opponent’s rights on the part of the applicant that was not alluded to in the statement of grounds.

34. In *Julian Higgins’ Trade Mark Application* [2000] RPC 321 the Vice Chancellor said:

“If the pleadings do not identify the right issues, the issues parties propose to argue about, then it cannot be expected that with any consistency the right evidence will be adduced at the hearing. The pleadings are supposed to identify the issues to which evidence will be directed. If the pleadings do not properly identify the issues someone, sooner or later, is going to be taken by surprise.”

35. Not only has the direction taken by the opponent’s case strayed a long way from the pleaded case but the objection as framed in the statement of grounds does not necessarily disclose a bad faith issue as distinct from a relative ground objection.

36. In *Royal Enfield Trade Marks* [2002] RPC 24 Simon Thorley QC, sitting as the Appointed Person said:

“An allegation that a trade mark has been applied for in bad faith is a serious allegation. It is an allegation of a form of commercial fraud. A plea of fraud should not lightly be made (see Lord Denning MR in *Associated Leisure v Associated Newspapers* [1970] 2 QB 450 at 456) and if made should be distinctly alleged and distinctly proved. It is not permissible to leave fraud to be inferred from the facts (see *Davy v Garrett* (1878) 7 Ch D 473 at 489). In my judgment precisely the same considerations apply to an allegation of bad faith made under Section 3(6). It should not be made unless it can be fully and properly pleaded and should not be upheld unless it is distinctly proved and this will rarely be possible by a process of inference.”

37. On the basis of the ground as pleaded the applicant has no case to answer. The papers placed before me do not indicate that there has been any request to amend the pleadings to deal with any other basis of attack. Furthermore, it is not properly explained what the implications of any irregularities in cross-shareholdings or the March Racing registration are (if any) for these proceedings. The objection under Section 3(6) fails.

Section 5(2)(b)

38. This reads:

“(2) A trade mark shall not be registered if because –

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

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

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

39. An objection under Section 5(2)(b) requires me to consider whether there are similarities in the marks and similarities in the goods that cumulatively, lead to a likelihood of confusion. The leading guidance from the European Court of Justice is contained in *Sabel BV v Puma AG* [1998] E.T.M.R. 1, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] R.P.C. 117, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77 and *Marca Mode CV v Adidas AG and Adidas Benelux BV* [2000] E.T.M.R. 723.

Comparison of goods

40. The opponent’s Community Trade Mark application has been divided. It is tolerably clear that the goods and services of No. 5352257 are closest to the goods and services applied for. I set out below the respective specifications (relevant classes only as far as the opponent’s CTM is concerned). Within the latter the goods and services in bold text are most relevant for comparison purposes.

APPLICANT’S	OPPONENT’S
Class 09: Photographic, cinematographic computer software and games relating to transmitting and reproducing the sound and images of motor vehicles, racing cars, motor cycles and land, sea and air locomotives.	Class 09: Scientific, nautical, surveying, electric, photographic, cinematographic , optical, weighing, measuring, signalling, checking (supervision), life-saving and teaching apparatus and instruments ; apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, recording discs; automatic vending machines and mechanisms for coin-operated apparatus; cash registers, calculating machines, data processing equipment and computers; fire-extinguishing apparatus; sound and video recordings; computer software; computer games; films; parts and fittings for all of the aforesaid goods; all the aforesaid goods relating to or to be associated with Formula 1 motor racing championships.
Class 16:	Class 16:

Paper, cardboard and goods made from these materials, printed matter, photographs, printed publications.	Paper, cardboard and goods made from these materials , not included in other classes; printed matter ; bookbinding material; photographs ; stationery; adhesives for stationery or household purposes; artists' materials; paint brushes; typewriters and office requisites (except furniture); instructional and teaching material (except apparatus); plastic materials for packaging (not included in other classes); playing cards; printers' type; printing blocks; tickets, brochures, programmes and booklets; books and magazines; printed publications ; parts and fittings for all of the aforesaid goods.
Class 25: Clothing, footwear and headgear.	Class 25: Clothing, footwear, headgear ; parts and fittings for all of the aforesaid goods.
Class 35: Advertising; business management; business administration; office functions; all of the aforesaid relating to the creation of sporting and motoring teams.	Class 35: Advertising; business management; business administration; office functions; business services relating to sponsorship; business services in relation to motor land racing; advertising in connection with motor land racing and business; promoting sporting events and motor land racing events; advertising and business related to motor racing on land.

41. It is apparent from the above that the specifications are (in relevant part) couched in identical terms and/or encompass identical goods and services. The only slight gloss I need to put on this is that, as I have noted in the related application, the Class 9 specification is curiously worded. It is not clear what 'sea and air locomotives' are. However, in general terms the applicant's specification is based around computer software and games for the designated purposes. These items are a sub-set of, the opponent's computer software and computer games. Identical goods are involved.

42. Turning to the marks, the standard comparison requires me to consider visual, aural and conceptual similarities. The earlier trade mark consists of the words GRAND PRIX. The applied for mark is MARCH GRAND PRIX. Self-evidently the whole of the earlier mark is contained within the later mark. To that extent they share a point of visual and phonetic identity, the difference between them residing in the word MARCH. The latter is the first and a prominent element in the applied for mark but it does not reduce the element GRAND PRIX to insignificance.

43. The applicant's counterstatement suggests that the term GRAND PRIX is a traditional name given to a large race/competition and is used in other sports, snooker and athletics being mentioned. The opponent has filed no evidence to contradict that state of affairs which accords with what I would in any case have taken to be the position (sufficiently so for me to take judicial notice of the fact). I infer that the opponent's position is that, even though the words convey the meaning of a

prestigious event in other sporting contexts, in relation to Formula 1 motor racing it means the opponent's group.

44. Although the term GRAND PRIX has come to be used in a variety of sporting contexts to indicate a particularly important event, I do not dispute that one of its longstanding associations has been with the sport of motor racing. What needs to be determined is the nature of that association and in particular whether it signifies a type of race or is used to indicate the goods and/or services of the opponent's group. In other words does it function as a descriptive indicator or a trade mark? It is necessary, therefore, at this point to turn to the opponent's evidence in order to establish how the mark is used and what its likely impact has been on the public.

45. Motor racing of the kind organised and run by the opponent's group has been in existence for very many years and the term Grand Prix has always been used to describe the races. The evidence does not deal with the full history of the opponent's involvement in the sport. I have not, therefore, been told how the opponent's group believes it has come into or acquired ownership of the words GRAND PRIX. The statement of grounds (in relation to Section 5(4)(a)) says that the earlier right is claimed "for at least the last 10 years". Clearly that does not rule out an earlier claim. However, to the best of my knowledge, the opponent's group has not always controlled the sport. An issue, therefore, arises as to the circumstances in which the claim to rights in the sign came about. Without the benefit of a full historical perspective I must make the best I can of the evidence before me.

46. Ms Heavey's underlying claim is that:

"7. The Opponent's Group or its predecessor in business has organised the series of motor races known as the Championship since as early as 1987 under the trademarks FORMULA 1, F1 and GRAND PRIX, through rights granted by the FIA. As well as having organised the races during this period, the Opponent's group have always had, during this period, the right to commercially exploit the races. For each year in this period, a motor race has been held in the United Kingdom and the Championship has been broadcast live on one of the major terrestrial television channels in the UK."

47. Turning to the supporting material, Exhibits 2 and 3 are respectively group design guidelines from 1997 and 2004. It is clear that the opponent's group takes a great deal of care of the size, colour, positioning and general presentation of its brands. I note that the 1997 guidelines deal primarily with FIA and F1 logos. Part 3 of the 2004 guidelines sets out "The Formula One Group Trademarks/Word Marks". It concentrates heavily but not exclusively on the F1 logo and approved use thereof. The document also sets out various examples of prohibited use of the F1 logo and other marks. The 'other' trade marks of the group include FORMULA ONE/1 and FIA FORMULA ONE WORLD CHAMPIONSHIP marks. The marks shown are not said to represent an exhaustive list. On the other hand no particular mention or claim is made in relation to GRAND PRIX. The closest the guidelines came to this is mention of FOSTER'S AUSTRALIAN GRAND PRIX in association with the F1 logo or FORMULA 1 mark (see for instance the usage illustrated at 3.2 and under the heading 'Title Mechanism Examples' at 4.7 of the document). The purpose of these

parts of the guidelines appears to be to show how such references to the name of the race are to appear in relation to the F1 logo or the words and numeral FORMULA 1. I do not read the document as making any claim in relation to GRAND PRIX.

48. Exhibit 4 shows sample artwork in relation to the British Grand Prix for years between 1996 and 2003. Exhibit 5 contains samples of tickets and passes for various races (the Belgium, Turkish and British Grands Prix). Exhibit 6 consists of pictures of podium ceremonies and extracts from the Daily Telegraph website reporting on the outcome of various races. All these exhibits are in a similar vein and show use of GRAND PRIX in association with but subordinate to the F1 logo or used in conjunction with a country designation. In my view this is use of GRAND PRIX in a context that indicates the nature and the geographical location of the race.

49. Exhibits 7 to 10 are stills from the FORMULA 1 FOSTER'S BRITISH GRAND PRIX but do not disclose use of the words GRAND PRIX as such. Exhibit 11 shows various marks overlaid on what I take to be a picture of the Silverstone motor racing circuit. The first screen gives prominence to the F1 logo and beneath it the words FIA FORMULA 1 WORLD CHAMPIONSHIP. Beneath that again is 2004 FORMULA 1™ Foster's British Grand Prix. The fourth page of the exhibit also has this latter caption. I note that in relation to this part of the evidence Ms Heavey's witness statement says that:

“38 Insofar as the International Feed includes the Opponent's marks, the Opponent's Group control how these trademarks are used to such an extent that a licence is necessary. They are also licensed to use certain of the Opponent's marks, on a case by case basis.”

50. No licences have been exhibited. The group design guidelines refer to a number of marks but nowhere is it apparent that the opponent's group controls or claims to control or licence the words GRAND PRIX.

51. Exhibits 12 to 14 deal with branded merchandise. As might be expected from a licensed product a number of marks are evident. To take the first page of exhibit 12, a computer game cover, as an example it shows PLAYSTATION 2 and a logo (presumably indicating the brand of games machine it is intended for), ATARI (the game supplier), the F1 logo (the licensor's mark) and various other possible trade marks the significance of which is not clear. Prominently displayed in the centre of the cover are the words GRAND PRIX CHALLENGE. In my view that would simply be taken as being descriptive of the content of the game.

52. Exhibit 15 consists of the cover pages of race programmes with the F1 logo and variously BRITISH GRAND PRIX, RAC BRITISH GRAND PRIX and FOSTER'S BRITISH GRAND PRIX. The context in which GRAND PRIX occurs strongly suggests that the words are being used to describe the nature of the race, its geographical location and sponsor (RAC, Fosters).

53. Exhibit 16 is a proposal to Bernie Ecclestone to obtain a licence to use the opponent's marks. It is couched in terms of 'completing' the image of FORMULA ONE and raising awareness of the FIA logo (see Mission Statement page). The mock-ups of clothing items show tags bearing the FIA logo and, in one case, F1.

There is also a tag showing AUSTRALIAN FORMULA ONE GRAND PRIX. I do not detect in the proposal any awareness on the intended licensee's part that it considers the opponent's group has any rights in the words GRAND PRIX as opposed to the other marks mentioned.

54. Exhibit 17 is a table of sales figures under the SLS programme. The key in the heading on page 1 explains what F1 FORMULA 1 and FIA logo mean in the body of the document. I can see no reference to GRAND PRIX.

55. Exhibit 18 shows trackside advertising from the 2004 FOSTER'S BRITISH GRAND PRIX. It is evidence of third party advertising at the event but does not further the opponent's claim to rights in GRAND PRIX.

56. Exhibit 19 deals with team sponsorship. The pages are said to come from BUSINESS F1 magazine and are headed "Business of Grand Prix Special Report". Again, I would take this to be descriptive usage.

57. The final two exhibits that are relevant to this part of the enquiry are Exhibits 20 and 21, these being a selection of requests to use the opponent's marks. They emanate from third parties who wish to enter into licence agreements or otherwise seek permission to use the opponent's marks. They are all requests in relation to F1 or FORMULA ONE/1. I can see nothing in these exhibits that comes remotely close to furthering any claim in relation to GRAND PRIX.

58. My conclusion from this review of Ms Heavey's evidence is that the opponent undoubtedly lays claim to rights in various marks, notably F1 (logo), FIA (logo) and FORMULA ONE/1 but there is nothing to persuade me that GRAND PRIX would be seen as anything other than the name given to a particular type of motor racing. I can find no examples of the words being used on their own or in a manner that would lead the relevant public to think that the opponent's group have, or are entitled to lay claim to, rights in these words. Ms Heavey's evidence refers at various points to licensing of the opponent's marks. However, her witness statement refers to a number of marks and no specific claim is made to licensing of the GRAND PRIX mark (in contrast to the specific claim in the related case in relation to licensing of Formula1/One). The fact that the words have come to be used in relation to other sporting events is not in itself determinative but is in my view a further powerful indication of the generic descriptive nature of the words.

59. Where does this leave the opponent's claim under Section 5(2)(b)? The most relevant part of the opponent's divided Community Trade Mark application, No. 5352257, is currently shown as status "Registration of Community Trade Mark pending" on CTM-ONLINE. My understanding is that this means that the registration fee is payable and the registration itself will then be published. On the assumption that this final procedural hurdle is cleared No. 5352257 will be registered and benefit from the presumption of validity provided by Article 95 of Council Regulation 40/94.

60. The consequence of such a presumption of validity has recently been considered by Richard Arnold QC, sitting as the Appointed Person, in *Top Home Trade Mark*, O-254-07. He held that:

“17. I would add that, as the opponent accepts, the hearing officer correctly proceeded on the basis that the opponent’s mark is presumed to be validly registered and therefore must be assumed to possess or have acquired at least the minimum degree of distinctiveness required to justify registration in the absence of any attack on the validity of the registration. I consider that I was mistaken to hold to the contrary in *Oska’s Ltd’s Trade Mark Application* [2005] RPC 20 at [39].”

61. That prima facie presumption of validity would presumably be sufficient of itself to determine a matter in an opponent’s favour where identical marks and identical goods and services are concerned. Where, however, the marks and/or goods and services are only similar the likelihood of confusion falls to be considered on the basis of what has been called a multifactorial assessment taking into account the degree of similarity between the marks, the degree of similarity between the goods or services and the distinctive character of the earlier trade mark (in terms of the penumbra of protection to which it is entitled).

62. The presumption of validity does not relieve the tribunal of the need to assess the degree of inherent or acquired distinctiveness to be attributed to the earlier trade mark. Nor in my view does it require the tribunal to assume that more than the bare minimum level of distinctiveness is present.

63. The ECJ has referred in *Lloyd Schuhfabrik* to the fact that:

“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....”

In making that assessment account must be taken 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. Kerly’s *Law of Trade Marks and Trade Names* (Fourteenth edition) acknowledges at 8-049 that “[t]he notion of a scale of distinctiveness can be useful to explain how a mark may be distinctive yet also convey a message which is descriptive of the goods or services in question...”. Later, in relation to the acquisition of a secondary meaning Kerly’s at 8-132/3 also cites a passage from *Windsurfing Chiemsee* [1999] E.T.M.R.585 indicating that “the corollary of a mark having acquired a distinctive character through use was that the mark “has gained a new significance and its connotations, no longer purely descriptive, justifies its registration as a trade mark”. The issue which remains is whether the secondary meaning or new significance must displace the primary non-distinctive meaning, and, to what extent.” The learned editors go on to draw out a number of points of guidance and suggest that “It is not necessary for the secondary distinctive meaning to displace entirely the primary descriptive meaning of a sign”.

64. The tension between descriptiveness and distinctiveness can be illustrated by example. Budget has become distinctive as a trade mark in relation to car rental services but the word has not lost its primary descriptive significance which may find

expression in phrases such as ‘budget rates’, ‘prices to suit all budgets’. Context is likely to be important to how a particular usage is perceived by consumers.

65. On the evidence before me I would have held GRAND PRIX to be descriptive but for the consequence of the presumption of validity. As matters stand I do not accept that it can have more than the bare minimum level of distinctiveness.

66. Turning to the use of those words in the applied for mark, the ECJ considered the position of a composite mark that incorporated the whole of an earlier trade mark in *Medion AG v Thomson multimedia Sales Germany & Austria GmbH* Case C-120/04 and held that:

“30. However, beyond the usual case where the average consumer perceives a mark as a whole, and notwithstanding that the overall impression may be dominated by one or more components of a composite mark, it is quite possible that in a particular case an earlier mark used by a third party in a composite sign including the name of the company of the third party still has an independent distinctive role in the composite sign, without necessarily constituting the dominant element.

.....

32. The finding that there is a likelihood of confusion should not be subject to the condition that the overall impression produced by the composite sign be dominated by the part of it which is represented by the earlier mark.”

67. Thus an element within a composite sign may be held to have an independent distinctive character. The corollary must be that an element within a composite mark may be held to have no independent distinctive role or even a descriptive role. The nature of the goods or services in relation to which the element is to be used and the surrounding circumstances and context will play a part in determining the position in any given case.

68. In the context of motor racing and closely associated goods and services, the use of the words GRAND PRIX within a composite mark may do no more than convey the message that the mark holder wishes to show a connection with or allegiance to the sport in question. Whether it does so in any particular case depends on the nature of the goods or services and the closeness or otherwise of the connection with motor racing.

69. With the above considerations in mind I turn to the issue of the likelihood of confusion in the circumstances of this case. In doing so I bear in mind that the average consumer will include both businesses (mainly for the Class 35 services) and the public at large.

70. In relation to Class 9 both parties’ specifications cover computer software and games relating to motor racing and other vehicle related games for which the words GRAND PRIX have a descriptive meaning. In the case of the applied for mark the distinctive component is the word MARCH. When used in that context, the words

GRAND PRIX would simply inform the potential purchaser of the subject matter of the software or game that is being sold under the mark. In those circumstances there is no likelihood of confusion with the opponent's mark GRAND PRIX.

71. The parties' goods in Class 16 are not restricted by reference to motor racing or such like. Nevertheless it would be perverse to ignore the context in which the parties operate. In relation to "printed matter, photographs, printed publications", the use is likely to be focussed on the field of racing for which GRAND PRIX has descriptive significance. As with the Class 9 goods the presence of the distinctive word MARCH is sufficient to avoid any confusion arising. The position is rather different in relation to "paper, cardboard and goods made from these materials" (although 'goods made from these materials' is a somewhat indeterminate term its most natural meaning would be in relation to items such as paper bags and cardboard boxes. I do not consider that it should be taken to extend to printed matter and goods of this kind). These are not the sort of goods that have any particular or obvious association with motor sport. The words GRAND PRIX, used in relation to such goods, might carry certain oblique laudatory overtones but they would tell the consumer nothing about the characteristics or content of such goods. In those circumstances the earlier trade mark would have rather greater distinctiveness and the words would have independent distinctive character within the applied for mark. For these goods this would give rise to a likelihood of confusion with the opponent's mark.

72. The Class 25 specifications cover clothing. As I have already indicated I find the words GRAND PRIX to be descriptive and non-distinctive in the context of motor racing events (and significant events in other areas of sporting endeavour). It must also be considered descriptive and non-distinctive in the context of goods and services that are commercially closely associated with the sport, computer games and printed publications being prime examples where the words indicate the subject matter. It may be said that in relation to clothing the words GRAND PRIX are neither descriptive nor non-distinctive as they are not indicative of a characteristic of clothing. (Different arguments may apply in relation to protective clothing in Class 9 but that is not an issue in this case.)

73. Nevertheless, the *Arsenal* case demonstrates that the insignia or name of a football club can denote both trade origin and allegiance to the club. There was evidence in that case establishing that the football club had used its signs to fulfil the first of these functions. *Score Draw Limited and Alan James Patrick Finch*, [2007] EWAC 462 (Ch) is an example of a case where the use of the badge of the historical Brazilian football teams was simply to give authenticity to the shirts. It was not being used to indicate the trade source of the goods.

74. These cases involved the insignia of actual teams (or former teams in the *Score Draw* case). The words GRAND PRIX can be distinguished from these type of cases in as much as they refer to the sport of motor racing (or a particular category thereof) rather than a team as such. It is arguable as to whether consumers would wish to express an allegiance to the sport in general rather than their favoured Grand Prix racing team.

75. On the other hand it is clear from the opponent's evidence that the opponent claims an extensive trade in merchandised goods and that its various F1 and FIA

marks have been much used in relation to clothing. The licensee details at Exhibit 17 show use of these marks in combination with either the names of teams (Jordan, Benetton) or individual drivers (Prost, Senna, Alesi, Villeneuve). I mention these as indicative types of use only because there is no evidence that GRAND PRIX is used by the opponent in a trade mark sense in relation to licensed sales of clothing. However, it seems to me that if third parties were to associate their name with the word GRAND PRIX (as the applicant has done here) these words are likely to be taken as indicating a desire to create an association with the sport (here the former March team's participation) rather than to suggest a trade origin claim. In this respect the name March has strong associations with the former team of that name (I note that Ms Heavey's evidence refers to a publication 'March – The Rise and Fall of a Motor Racing Legend' which tends to confirm the distinctive power of March in the motor racing field). That being the case the distinctive character of MARCH GRAND PRIX resides in the first element and the following words merely create the desired association or link with the sport. On that view of the component elements of the applied for mark, I find that there is no likelihood of confusion with the opponent's mark.

76. The final area to consider is the applicant's Class 35 services. It is to be noted that these services are restricted to "all of the aforesaid relating to the creation of sporting and motoring teams". The opponent has advertising and business services that are similarly restricted as well as other such services that are not restricted by application area. The fact that the specification (or parts thereof) have been voluntarily restricted in this way is an indication of where the parties' interests lie. It is reasonable in these circumstances to assume that the words GRAND PRIX are an apt way of capturing the intended area of motor racing to which the services will be directed. It follows that it is the presence of the word MARCH that will be considered the distinctive part of the mark and will distinguish the applicant's services. Again, therefore, I find no likelihood of confusion.

77. In summary, the opposition fails under Section 5(2)(b) in relation to all goods and services save for 'paper, cardboard and goods made from these materials'.

78. The remaining grounds are under Sections 5(3), 5(4)(a) and 56. Section 5(3) calls for evidence to establish that the opponent has a reputation under the mark GRAND PRIX in relation to the goods and services claimed (the claim extends to all the goods and services of the now divided application). The Section 5(4)(a) claim requires the opponent to establish goodwill in the sign GRAND PRIX. The Section 56 claim requires evidence that the mark is well known. In the light of my findings based on the evidence it must follow that each of these claims is bound to fail.

79. Save to the limited extent noted above the opposition has failed. Insofar as the opponent has succeeded against 'paper, cardboard and goods made from materials' this application will need to be stayed to await the completion of the registration process in the Community Trade Mark Office. The applicant has the option of dividing this application to allow the unobjectionable goods and services to proceed. A further short decision will in any case issue if and when the opponent's Community Trade Mark application has been registered.

80. The applicant is entitled to an award of costs to reflect the fact that it has in large measure succeeded.

81. The applicant has not been professionally represented in these proceedings and is in effect in the position of a litigant in person. It is appropriate to reflect this in the costs award on the basis of Simon Thorley QC's observations in *Adrenalin Trade Mark*, BL O/040/02 at paragraph 8:

“It is correct to point out that the Registrar's practice on costs does not specifically relate to litigants in person but in my judgment it could not be that a litigant in person before the Trade Mark Registry could be placed in any more favourable position than a litigant in person before the High Court as governed by the CPR. The correct approach to making an award of costs in the case of a litigant in person is considered in CPR Part 48.6”.

82. Part 48 of the Civil Procedure Rules referred to in the above passage provides as follows:

“**48.6(1)** This rule applies where the court orders (whether by summary assessment or detailed assessment) that costs of a litigant in person are to be paid by any other person.

(2) The costs allowed under this Rule must not exceed, except in the case of a disbursement, two-thirds of the amount which would have been allowed if the litigant in person had been represented by a legal representative”.

83. Taking account of all the above circumstances I order the opponent to pay the applicant the sum of **£550**. 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 28th day of September 2007

**M Reynolds
For the Registrar
The Comptroller-General**