

**O-335-12**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF**

**APPLICATION NO 2511890**

**IN THE NAME OF**

**D T (AUTOMOTIVES) LIMITED**

**FOR THE TRADE MARK:**

**DEMON**

**IN CLASSES 12 AND 35**

**AND**

**THE OPPOSITION THERETO**

**UNDER NO 100120**

**BY**

**PIRELLI TYRE SPA**

1) On 24 March 2009 DT (Automotives) Limited (DT) filed an application to register the trade mark DEMON. The application was published for opposition purposes on 6 November 2009 with the following specification:

*parts, fittings and accessories in Class 12 for land vehicles including cars, go-carts and motor cycles; tyres for vehicle wheels; vehicle wheels; tyre warmers and covers; nut covers, valves and valve caps for vehicle wheels; wheel locks; vehicle seats; racing seats for cars and go-karts; vehicle seat accessories including mounting frames, subframes, backrests, headrests, head restraints, and seat cushions; safety harnesses, belts, straps and pads for vehicle seats; roll cages; steering wheels and apparatus for vehicles; gear shift knobs and gearlevers; pedal boxes and extensions, mudguards; vehicle mirrors; fitted vehicle covers; camshafts for land vehicles; transmission shafts and transmissions for land vehicles; fuel tanks for racing vehicles in Class 12; vehicle fuel tanks in Class 12; vehicle fuel cells; filler caps, filler necks and filler hoses for vehicle fuel tanks; refuelling systems; fuel vent valves and gauges; oil separator tanks; sump tanks; oil catch tanks; hoses for use in vehicle hydraulic systems; brakes, brake lines; brake linings, brake discs and disc pads, brake calipers, brake hoses and pipes, brake fluid reservoirs, brake cylinders, and brake ducts for land vehicles; handbrakes and handbrake handles; clutches for land vehicles; steering apparatus for land vehicles; bearings; suspension systems for vehicles; shock absorbers and shock absorbing springs for vehicles; suspension bushes; strut braces; bump stops; vehicle brackets; gearboxes; axles and drive trains for vehicles; bonnet and boot locks, pins, hooks, and clips; pins for locking doors; vehicle anti-theft devices, immobilisers and alarms; sill protectors; mats and floor plates adapted for use in motor vehicles; body parts and chassis parts for land vehicles; vehicle spoilers; vehicle vents and grilles; vehicle side skirts; vehicle bumpers; vehicle wings; tinting films and protective films for vehicle windows; decorative films for vehicle interiors and exteriors; parts and fittings for the aforesaid goods; stands and trolleys for vehicles; bicycles and cycles, parts and fittings for all the foregoing;*

*the bringing together, for the benefit of others, of a variety of vehicle parts and accessories, enabling customers to conveniently view and purchase those goods from a store, catalogue by mail order or telecommunications via an Internet website.*

The above goods and services are in classes 12 and 35 respectively of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended.

2) On 8 February 2010 Pirelli Tyre SpA (Pirelli) filed a notice of opposition to the registration of the trade mark. Pirelli relies upon section 5(4)(a) of the Trade Marks Act 1994 (the Act), which states:

“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”.

The principles of the law of passing-off were summarised by Lord Oliver in *Reckitt & Colman Products Ltd v. Borden Inc* [1990] RPC 341 at page 406:

“The law of passing off can be summarised in one short, general proposition: no man may pass off his goods as those of another. More specifically, it may be expressed in terms of the elements which the plaintiff in such an action has to prove in order to succeed. These are three in number. First he must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying 'get-up' (whether it consists simply of a brand name or trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff's goods or services. Secondly, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by him are the goods or services of the plaintiff. ... Thirdly he must demonstrate that he suffers, or in a *quia timet* action that he is likely to suffer, damage by reason of the erroneous belief engendered by the defendant's misrepresentation that the source of the defendant's goods or services is the same as the source of those offered by the plaintiff.”

3) Pirelli relies upon two signs: CITY DEMON and SPORT DEMON. It claims that it has used the two signs in Italy since 1986 and in the United Kingdom since 2006 in respect of motorcycle and scooter tyres. It claims that it has acquired a significant reputation and goodwill in the automotive market in relation to these signs.

4) ST filed a counterstatement in which it denies that Pirelli has the goodwill which it claims and denies that use of its trade mark would be contrary to section 5(4)(a) of the Act.

5) Only Pirelli filed evidence. DT filed written submissions. Pirelli did not file any submissions. Neither party requested a hearing.

6) The evidence of Pirelli consists of a witness statement by PierGiovanni Giannesi. Mr Giannesi describes himself as “proxy holer” of Pirelli.

7) Mr Giannesi states that SPORT DEMON and CITY DEMON are two of the brand names under which Pirelli sells wheels and tyres for motorcycles. He states that these names were first used in Italy in 1987 and in the United Kingdom in 2002 and have been in continuous use since then. Mr Giannesi states that between 2005 and 2009 30,000 units were sold under the two brand names. He states that Pirelli sells its branded wheels and tyres throughout the United Kingdom, mainly through motorcycle shops and specialist tyre dealers. Mr Giannesi states that the brand names appear on the wheels and tyres themselves as well as on labels, packaging and technical literature. He states that the names are also featured on point-of-sales and promotional material.

8) Mr Giannesi exhibits a bundle of material:

- A page giving details of the Sport Demon and City Demon tyres. The page was produced for a show in Milan in 2001. It is marked "Confidential – Employee Use Only". The products are tyres which are described as being for use with large mid-class and mid-class motorcycles.
- A leaflet headed "New For 2002". The contact point is given as Pirelli Metzeler Moto UK in Rugby. The first page shows Sport Demon and the City Demon tyres. The name Pirelli can be seen on the tyres.
- Pages 7-8 are without any provenance. They relate to the Sport Demon tyre.
- Page 9 is without any provenance. It gives details of various versions of the Sport Demon tyre; prices are given in pounds sterling.
- Pages 10 – 18 are without any provenance. They appear to be parts of brochures for Pirelli tyres. Prices are given in pounds sterling. The Sport Demon and City Demon tyres appear in the brochure. The City Demon tyre is described as having a new tread design. The Sport Demon tyre is described as being new (pages 14, 15, 16).

9) In its submissions DT made the following comments about the evidence of Pirelli:

- There is no allocation of sales to each trade mark nor an indication of sales for each trade mark per annum. Mr Giannesi does not say what the units were. It could be that there were sales of 28,000 units in 2005 and only 2,000 over the subsequent years.
- Mr Giannesi refers to Demon branded goods but the brand is not demon but SPORT DEMON and CITY DEMON. The words SPORT and CITY define DEMON.
- Page 4 does not prove sales in the United Kingdom, it is a leaflet from Milan. The trade marks SPORT DEMON and CITY DEMON do not appear on the tyre, it is a Pirelli tyre.
- The leaflet at pages 5 and 6 show SPORT DEMON and CITY DEMON under the Pirelli banner. There is no indication as to when or how many of the leaflets were distributed.

- Pages 7, 8 and 10 appear to be trade literature. It is undated and there is no indication as to its having been distributed in the United Kingdom.
- Pages 12, 13, 14, 15, 16 and 17 appear to have been taken from a single catalogue or folder. They are undated and give no indication that they were distributed in the United Kingdom, or where in the United Kingdom they might have been distributed and to whom.
- Pages 9 and 18 appear to be taken from the same catalogue or folder but are undated. They do not show where they were published, where they were distributed and to whom.
- There is no evidence of per annum sales (if any) in the United Kingdom in the last 5 years or the distribution of units sold between 2005 and 2009.
- There is no evidence of SPORT DEMON or CITY DEMON having appeared on the motorcycle tyres. The only trade mark shown is Pirelli.
- There are no invoices giving evidence of actual sales in the United Kingdom.
- There is no evidence of advertising in the United Kingdom of the motorcycle tyres sold under the signs relied upon nor information about Pirelli's goods reaching United Kingdom customers.
- There is no evidence to show that, outside of a Pirelli context, the goods featuring the signs would be known to emanate from Pirelli.

Consequently, DT submits that Pirelli has failed to establish the requisite goodwill.

10) A similar provision to section 5(4)(a) of the Act is to be found in Article 8(4) of Council Regulation 40/94 of December 20, 1993. This was the subject of consideration by the General Court (GC) in *Last Minute Network Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Joined Cases T-114/07 and T-115/07, in which the GC stated:

“50 First, there was goodwill or reputation attached to the services offered by LMN in the mind of the relevant public by association with their get-up. In an action for passing off, that reputation must be established at the date on which the defendant began to offer his goods or services (*Cadbury Schweppes v Pub Squash* (1981) R.P.C. 429).

51 However, according to Article 8(4) of Regulation No 40/94 the relevant date is not that date, but the date on which the application for a Community trade mark was filed, since it requires that an applicant seeking a declaration of invalidity has acquired rights over its non-registered national mark before the date of filing, in this case 11 March 2000.”

The reasoning of the GC, *mutatis mutandis*, is followed in relation to the Act; so Pirelli must establish a protectable goodwill as of the date of application for registration, 24 March 2009.

11) Mr Richard Arnold QC, sitting as the appointed person, in *Tripp Limited v Pan World Brands Limited* BL O/161/07 stated:

“33. *Phipson on Evidence* (16th ed) states at paragraph 12-12:

In general a party is required to challenge in cross-examination the evidence of any witness of the opposing party if he wishes to submit to the court that the evidence should not be accepted on that point. The rule applies in civil cases as it does in criminal. In general the CPR does not alter that position.

This rule [sic] serves the important function of giving the witness the opportunity of explaining any contradiction or alleged problem with his evidence. If a party has decided not to cross-examine on a particular important point, he will be in difficulty in submitting that the evidence should be rejected.

However the rule is not an inflexible one...

34. The authority cited in support of this statement of the law is the decision of the House of Lords in *Browne v Dunn* (1894) 6 R 67. The relevant passages from the speeches are set out in the judgment of Hunt J in *Allied Pastoral Holdings v Federal Commissioner of Taxation* (1983) 44 ALR 607, the material parts of which are quoted in the judgment of the Court of Appeal in *Markem Corp v Zipher Ltd* [2005] EWCA Civ 267, [2005] RPC 31 at [59]-[60].

35. In my judgment the learned editors of *Phipson* are correct to say that the rule is not an inflexible one. There are at least two well-established exceptions to it. The first is that, as the speech of Lord Herschell LC in *Browne v Dunn* makes clear, it may not be necessary to cross-examine on a point if the witness has been given full notice of it before making his statement. As I pointed out in *BRUTT Trade Marks* [2007] RPC 19 at [23], this may be significant in registry proceedings where evidence is given sequentially. The second is that a court is not obliged to accept a witness's evidence in the absence of cross-examination if it is obviously incredible: see *National Westminster Bank plc v Daniel* [1993] 1 WLR 1453.

36. Where, however, evidence is given in a witness statement filed on behalf of a party to registry proceedings which is not obviously incredible and the opposing party has neither given the witness advance notice that his evidence is to be challenged nor challenged his evidence in cross-examination nor adduced evidence to contradict the witness's evidence despite having had the opportunity to do so, then I consider that the rule in *Brown v Dunn* applies and it is not open to the opposing party to invite the tribunal to disbelieve the witness's evidence.”

12) The submissions of DT cannot bring into doubt the facts attested to by Mr Giannesi as far as this concerns that between 2005 and 2009 30,000 “units” were sold under the two DEMON signs or that the signs appeared upon the “units”. However, in his evidence Mr Giannesi refers, on three occasions, to the sale of wheels and tyres for motorcycles. There are no exhibits in relation to wheels nor has the use on wheels been pleaded, however, owing to Mr Giannesi’s evidence, it is not clear in relation to which goods the signs have been used. There is also no evidence as to how sales have been distributed between the two signs. As DT submits, there is no indication as to the extent of the distribution of sales material. There is no indication as to the annual sales. It could be that virtually all the sales were all made in one short period and so any knowledge of the signs had largely dissipated; although this does not negate goodwill. A trivial goodwill will not accrue protection (*Hart v Relentless Records* [2002] EWHC 1984), however a small goodwill can give rise to protection (*Stannard v Reay* [1967] FSR 140, *Teleworks v Telework Group* [2002] RPC 27 and *Stacey v 2020 Communications* [1991] FSR 49).

13) DT submits that there is no evidence to show that outside of a Pirelli context the goods featuring the signs would be known to emanate from Pirelli. The state of knowledge of consumers is not pertinent to this issue as per *The Birmingham Vinegar Brewery Co Ltd v Powell* 1897] AC 710:

“the customer does not know or care who the manufacturer is, but it is a particular manufacture that he desires”.

14) Pirelli can have a protectable goodwill from use to retailers and/or wholesalers as per *Ewing v Buttercup Margarine Limited* (1917) 34 RPC 232. That the units may have been sold under the main brand of Pirelli does not stop the sub-brands having their own goodwill.

15) Pumfrey J in *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19 stated:

“27. There is one major problem in assessing a passing off claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the Registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent’s reputation extends to the goods comprised in the applicant’s specification of goods. The requirements of the objection itself are considerably more stringent than the enquiry under Section 11 of the 1938 Act (See *Smith Hayden (OVAX)* (1946) 63 RPC 97 as qualified by BALI [1969] RPC 472). Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.

28. Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed at the relevant date. Once raised the applicant must rebut the prima facie case. Obviously he does not need to show that passing off will not occur, but he must produce sufficient cogent evidence to satisfy the hearing officer that it is not shown on the balance of possibilities that passing off will occur.”

The judgments in *Phones 4u Ltd v Phone4u.co.uk. Internet Ltd* [2007] RPC 5 and *Minimax GmbH & Co KG v Chubb Fire Limited* [2008] EWHC 1960 (Pat) show that the question of goodwill cannot be established by the application of a formula. In the latter judgment Floyd J stated:

“8 Those observations are obviously intended as helpful guidelines as to the way in which a person relying on section 5(4)(a) can raise a case to be answered of passing off. I do not understand Pumfrey J to be laying down any absolute requirements as to the nature of evidence which needs to be filed in every case. The essential is that the evidence should show, at least prima facie, that the opponent's reputation extends to the goods comprised in the application in the applicant's specification of goods. It must also do so as of the relevant date, which is, at least in the first instance, the date of application.”

16) Owing to the lacunae in the evidence in relation to the actual goods upon which the signs have been used, the extent of use of each of the signs, the use in terms of year of each of the signs and the extent of distribution of promotional material, Pirelli has not established that at 24 March 2009 it had a protectable goodwill in relation to the signs upon which it relies and the goods in which it claims those signs have been used. Consequently, the ground of opposition under section 5(4)(a) of the Act is dismissed.

### **Costs**

DT having been successful is entitled to a contribution towards its costs. Costs are awarded on the following basis:

Preparing a statement and considering the statement of Pirelli:	£300
Considering the evidence of Pirelli and filing written submissions:	£300
Total:	£600

**Pirelli Tyre SpA is ordered to pay DT (Automotives) Limited the sum of £600. 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 day of 10<sup>th</sup> September 2012**

**David Landau  
For the Registrar  
the Comptroller-General**