

O-169-13

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO 2581416**

**BY**

**SCORPION EXHAUSTS LTD**

**TO REGISTER THE TRADE MARKS (A SERIES OF 2):**



**AND**



**IN CLASS 7**

**AND**

**THE OPPOSITION THERETO**

**UNDER NO 102351**

**BY**

**PIRELLI TYRE SPA**

1) On 16 May 2011 Scorpion Exhausts Ltd (SEL) filed an application for the registration of the trade marks:



and



The application was published for opposition purposes on 3 June 2011 with the specification:

*exhausts; exhaust systems; exhaust pipes; silencers; parts and fittings for the aforesaid; all for use in connection with motor vehicles, motorbikes and all terrain vehicles.*

The above goods are in class 7 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) Pirelli Tyre SpA (Pirelli) filed a notice of opposition to the registration of the trade marks. In its written submissions Pirelli limited the grounds of opposition to sections 5(2)(b) and 5(3) of the Trade Marks Act 1994 (the Act). The Act states:

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

.....

(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.

(3) A trade mark which –

(a) is identical with or similar to an earlier trade mark, 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 or international trade mark (EC) 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.”

3) In its written submissions, Pirelli stated that it was only relying on three Community trade marks in respect of the above grounds; trade marks which are not subject to the proof of use provisions. In its submissions, Pirelli only relies upon the class 12 goods of its earlier registrations. Community trade mark registration no 4719779 is for goods in classes 14, 18 and 28 and so, based on the submissions of Pirelli, is not pertinent to the proceedings. This leaves Community trade mark registration nos 8679375 and 4931015 of the trade marks SCORPION VERDE and SCORPION respectively. The former registration is for:

*tyres; solid, semi-pneumatic and pneumatic tyres, rims and covers for vehicle wheels; vehicle wheels; wheel rims; vehicles; apparatus for locomotion by land, air or water.*

The latter is for:

*tyres, solid, semi-pneumatic and pneumatic tyres, rims and covers for vehicle wheels, vehicle wheels, rims for vehicle wheels.*

In its statement of grounds, Pirelli claimed a reputation, for the purposes of section 5(3) of the Act, in relation to all of the goods of the registrations. However, its written submissions only related to use upon tyres.

4) SEL filed a counterstatement in which it denies the grounds of opposition. It denies that the respective trade marks are similar and that the respective goods are similar or identical. SEL denies that any of the trade marks of Pirelli have a reputation in the United Kingdom or that its use of its trade mark would take unfair advantage of, or be detrimental to, the alleged distinctive character or reputation of the trade marks of Pirelli. SEL denies all of the grounds of opposition of Pirelli.

5) Both parties filed evidence and written submissions. Neither party requested a hearing.

### ***Decision***

6) Evidence was filed for Pirelli by Ian Gruselle of Berwin Leighton Paisner LLP, the representatives of Pirelli in these proceedings, and by PeirGiovanni Giannesi, who is the “proxy holder” of Pirelli. SEL’s evidence was filed by Shaun Leonard who is a director of SEL.

7) SEL registered the trade mark below in the United Kingdom:



The application for registration was filed on 10 April 1996 and the trade mark was registered on 08 May 1998 for:

*exhausts; exhaust pipes; silencers; parts and fittings for the aforesaid goods.*

The registration was allowed to lapse as SEL hoped to gain a Community trade mark registration and because of rebranding to what Mr Leonard describes as the roundel logo:



The application for a Community trade mark registration failed following opposition by Pirelli. Even if SEL had an existing trade mark registration that was filed prior to the trade marks of Pirelli, this would not affect the outcome of the proceedings; as per the judgments of the General Court (GC) in *PepsiCo, Inc v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) T-269/02* and *Portela & Companhia SA c Office de l'harmonisation dans le marché intérieur (marques, dessins et modèles) (OHMI) l'affaire T-10/06*.

8) The name of company registration no 02803997 was changed to Scorpion Exhausts Limited on 18 August 1993, the company was incorporated on 26 March 1993. Mr Leonard states that the SCORPION brand was "created" in 1992. SEL first manufactured stainless steel exhausts for cars; in 1996 it began

making exhausts for motorbikes and scooters. Mr Leonard states that sales of exhausts and silencers have been continuous in the United Kingdom since 1992.

9) Exhibited at SL4 are examples of invoices issued by SEL from 1 May 2002, 2 May 2006, 4 May 2006, 17 December 2007 and 19 December 2007. The invoices bear the roundel trade mark without the coloured background.

10) Exhibited at SL5 to SL14 are copies of catalogues. Exhibit SL5 is a catalogue for 1999 for motorcycle products, which shows silencers, exhausts, paddock stands and air filters. This was sent to dealers and in 1999 there were two print runs, with 10,000 copies being produced in each run. SL6 contains advertisements from *Supermoto Magazine* for October/November 2003 and February/March 2004 for "slip-on silencers/full systems". The magazine is described as being a specialist publication which is no longer in print. SL7 is an advertisement for silencers from *Performance Bikes* for August 2004. Mr Leonard states that the average readership of the magazine was 40,500 in 2004/5. SL8 are galley proofs for advertisements from M&P Catalogue from December 2003 for SCORPION silencers for motorbikes. SL9 is a copy of an article from *Motor Cycle Monthly* for August 2008 about SCORPION Exhausts. Beneath the article is an advertisement for SCORPION exhausts for motorbikes, scooters and all-terrain vehicles; the average print run of the magazine in 2008 was 75,000. SL10 contains copies of advertisements from *Two Wheels Only* magazine from August 2003, May 2004, July 2004 and September 2004. There was an estimated print circulation of 37,500. The advertisements all appear to be for silencers for motorbikes. SL11 contains advertisements from *Roadracing Ireland* magazine from May, June, July and August 2004. The advertisements are for SCORPION silencers for motorbikes. SL12 contains advertisements from *Scootering Magazine* from July and October 2004. The advertisements are for silencers for scooters, although reference is also made to scooter exhausts. The publication is bimonthly with a print run of 10,000. SL13 contains two advertisements from *Twist & Go* from December 2003 and July 2004. Mr Leonard states that the magazine is aimed at the scooter market sector and has a bi-monthly print run of 12,000. The advertisements are for exhausts for scooters. SL14 contains an article from *Dealer News* of June 2004 in relation to exhaust suppliers. Mr Leonard states that the publication is bi-monthly and has a print run of 4,000. In the article, there is a reference to SCORPION exhausts for scooters.

11) Mr Leonard states that SEL has printed its own literature. He states that it has printed thousands of brochures and catalogues for both dealers and retail customers who it sees at shows. Examples of this literature are exhibited at SL15. A catalogue for 2011 shows silencers, catalyst replacement pipes, exhausts and paddock stands. A catalogue for 2004 is for silencer systems for motorbikes. The exhibit also contains a fitting leaflet for SCORPION exhausts. The 2011/12 brochure of SEL had a print run of 30,000.

12) Mr Leonard states that there are other SCORPION brands in the “sector”. He refers to a United Kingdom trade mark registration for Scorpion Racing. The application proceeded upon the basis of honest concurrent use with Community trade mark registration no 4719779. That registration does not encompass goods in classes 7 or 12 and there is no indication in relation to what goods the trade mark had or is used. There is no indication that United Kingdom registration no 1235827 is or has been used. It is for alarms for vehicles. The third use relates to a United States company that makes helmets. There is no evidence of use in the United Kingdom. None of the goods covered by the registrations or by the use of the United States company are on a par with those in consideration here. Consequently, the claimed use by others of trade marks including Scorpion is without pertinence in these proceedings.

13) SEL, as of 8 August 2012, supplied 203 motorcycle centres throughout the United Kingdom which included small outlets selling biking apparel and official Ducati and Kawasaki outlets which offered new and used bikes, clothing and servicing. SEL deals with 102 car dealers ranging from small Internet companies to large auto retailers such as Chester Exhaust Supplies, which has 35 branches, and Eurocar Parts, which has 115 branches.

14) Exhibited at SL21 is a witness statement from Ian Grainger who is a freelance journalist working for *Scootering Magazine* and other bike/scooter titles. He has worked in the motorcycle industry for nine and a half years. Mr Grainger states that SEL has advertised in *Scootering Magazine* since 2003. Mr Grainger gives his opinion as to what the readers of the magazine and those in the industry would think. This is conjecture, he can only give his view, which is that SEL’s SCORPION brand is associated with exhausts.

15) Exhibited at SL21 is a witness statement from Linda Asplin who has worked in the motorcycle industry for three years. She is the advertising sales executive of *MotorCycle Monthly* which she describes as the biggest and only free bike newspaper in the United Kingdom. She also gives her opinion as to what others in the motorcycle industry would think in relation to the use of SCORPION. Again, this is conjecture. She clearly associates SCORPION with the exhausts of SEL. She refers to the use of Scorpion Helmets (see paragraph 12).

16) Exhibited at SL23 are the first 40 hits from a Google® search for Scorpion, in which SCORPION Exhausts appears second in the list of hits.

17) Pirelli’s SCORPION tyres were used on all cars in the World Rally Championship in 2008. Mr Giannesi states that SCORPION is used for a diverse range of tyres and that they were first launched in the United Kingdom in 1998. He states that SCORPION has been used in relation to vehicle tyres and parts and fittings therefor continuously since 1998.

18) Exhibited at PT1 is a Pirelli product brochure for 2009/10 for tyres for SUVs and 4x4s. SCORPION Zero Asimmetrico, SCORPION Zero, SCORPION STR, SCORPION ATR and SCORPION Ice and Snow tyres are shown. The brochure gives details for European metric markings and American markings. There are no details of distribution of the brochure in the European Union. Exhibit PT2 contains material in relation to SCORPION tyres, prices are given in pounds sterling. An attached internal memorandum states that one brand of tyre will be available from March 1989, so it is inferred that the material emanates from prior to then. Exhibit PT3 is a copy of a price list from Pirelli to Associated Tyre Specialists Ltd effective from 23 December 2002 to 1 January 2003. Various SCORPION tyres are shown. Exhibit PT4 contains minutes of a meeting of 28 October 1998 with 4x4 dealers. There is no indication as to where the meeting took place and from where the dealers came; the next meeting was to be held in the Bahamas. Exhibit PT5 is a letter re a 4x4 dealers meeting on 19 November 1999; again there is no indication of location. Exhibit PT6 and PT7 are pages from [pirelli.com](http://pirelli.com) downloaded on 25 April 2012, so after the date of application for registration; SCORPION tyres are shown in the printouts.

19) Exhibited at PT8 are invoices issued to undertakings in the United Kingdom which show a number of tyres, some of which bear the name SCORPION. The invoices were issued on 12 January 2000, 14 December 2000, 18 December 2001, 24 July 2001, 25 February 2002, 8 February 2002, 15 January 2003, 5 January 2004, 7 January 2004, 11 January 2005, 10 January 2005, 6 January 2006, 3 January 2007, 4 January 2007, 2 January 2008, 4 January 2008, 4 January 2009, 19 January 2009, 18 May 2010, 7 October 2010, 28 January 2011 and 15 February 2011.

**20) The evidence of Mr Giannesi gives no figures for overall sales in the United Kingdom or the European Union of tyres bearing the trade marks SCORPION VERDE or SCORPION. The evidence in relation to publicity is limited. For the purposes of section 5(3) of the Act, Pirelli must establish that at the date of the filing of the application, its trade marks were known by a significant part of the public concerned by the products or services covered<sup>1</sup>. The CJEU in *General Motors Corporation v Yplon SA* stated how a party would establish this reputation:**

**“27. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it.”**

**The evidence of Pirelli fails to show market share. The evidence of Pirelli fails to show the size of investment in promoting goods sold under the trade marks. The evidence of Pirelli relates only to tyres. Tyres are bought by the motor vehicle owning public at large, which is a large part of the**

**adult population of the European Union. The evidence of Pirelli signally fails to establish that, at the material date, in relation to tyres that its trade marks were known by a significant part of the public concerned by the goods. Consequently, its grounds of objection under section 5(3) of the Act fail. The evidence does not establish that in relation to section 5(2)(b) of the Act that Pirelli can rely on reputation in relation to the trade marks which would increase their distinctiveness.**

21) Mr Gruselle's evidence is aimed at establishing the similarity of the respective goods. He exhibits material showing that Kwik Fit, with over 650 centres in the United Kingdom, offers tyres, exhausts and batteries. Halfords Autocentres offer tyres and exhausts. ATS Euromaster offers tyres and exhausts. Exhibit IG4 contains details of other undertakings that offer tyres and exhausts: City Exhausts & Tyres of Portsmouth, Telford Exhausts & Tyres, National Tyres and Autocars, Seastar Superbikes<sup>1</sup>, which supplies Pirelli tyres and SCORPION exhausts and Formula One Autocentres. In the exhibits relating to Kwik Fit, Halfords, ATS Euromaster, City Exhausts & Tyres and F1 Autocentres, the brands of tyres are shown but no exhausts are identified by brand. In the exhibit relating to Telford Exhausts & Tyres there is an advertisement for Powerflow Exhausts; in the exhibit relating to Seastar Superbikes the names of various tyre brands are given and information about SCORPION Exhausts is given. All of the printouts relating to the businesses were downloaded from the Internet in May or June 2012. SEL considers that exhibits IG1 to IG4 should be deemed as inadmissible as they were downloaded after the date of application. However, there is nothing to suggest that there was a change in practice in the market between the date of the application for registration and the date the printouts were downloaded. It is also taken as a notorious fact, and so under judicial notice, that service centres and garages supply both tyres and exhausts. Exhibited at IG5 is a Google® search for exhausts and tyres; the first ten hits, showing businesses in the United Kingdom supplying both products, are exhibited.

### ***Likelihood of confusion – section 5(2)(b) of the Act***

#### *Average consumer and the purchasing process*

22) In *New Look Ltd v Office for the Harmonization in the Internal Market (Trade Marks and Designs)* Joined Cases T-117/03 to T-119/03 and T-171/03 the GC stated:

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<sup>1</sup> Exhibited at SL17 is a statement from Vince Vrinten. Mr Vrinten is the director of Seastar Superbikes. He states that he was surprised that his company was mentioned in "Pirelli's defence material". He states that his company has dealt with SEL since 1993/4 and sold "quite a number of SCORPION branded exhausts". He states that he has also sold many Pirelli tyres during the same period and in that time no one has commented, highlighted or shown confusion between a Pirelli Scorpion tyre and a Scorpion exhaust".



“49 However, it should be noted that in the global assessment of the likelihood of confusion, the visual, aural or conceptual aspects of the opposing signs do not always have the same weight. It is appropriate to examine the objective conditions under which the marks may be present on the market (*BUDMEN*, paragraph 57). The extent of the similarity or difference between the signs may depend, in particular, on the inherent qualities of the signs or the conditions under which the goods or services covered by the opposing signs are marketed. If the goods covered by the mark in question are usually sold in self-service stores where consumer choose the product themselves and must therefore rely primarily on the image of the trade mark applied to the product, the visual similarity between the signs will as a general rule be more important. If on the other hand the product covered is primarily sold orally, greater weight will usually be attributed to any aural similarity between the signs.”

23) Mr Leonard comments upon the nature of consumers in the performance car and motorbike markets. However, the specification is not limited to such goods. Any such limitation would be artificial as it would be attempting to limit the goods by reference to a specific end consumer rather than by the nature of the goods themselves. Such a limitation would lack legal certainty, as required by judgments of the Court of Justice of the European Union (CJEU)<sup>ii</sup>; granting infringement rights not by the nature of the goods but by the nature of the consumer. There are parallels with the view taken by Mr Geoffrey Hobbs QC, sitting as the appointed person in *Lee Alexander McQueen v Nicholas Steven Croom* BL O/120/04 where he rejected the efficacy of excluding haute couture clothing from a specification (although that case relates to an exclusion rather than a possible positive limitation). Exhausts may be purchased by any persons who own vehicles that have exhausts, which is a large swathe of the public. The evidence shows that there are two parts of the market. There is the ordinary consumer who purchases a new exhaust or silencer when the existing parts have failed or are failing. This is the sort of consumer who is likely to go to the likes of Kwik Fit. The evidence suggests that in visiting undertakings such as Kwik Fit the customer will have no idea of what trade mark the replacement exhaust or silencer bears; he or she is simply buying a product that is suitable for the vehicle. As noted above, in the exhibits of Pirelli the brands of tyres are shown but generally the exhausts sold are anonymous. The end consumers of the goods will be the motoring public at large but they will be unlikely to be aware of the trade mark used in relation to the product. The knowledge of the trade mark will be with the company fitting the parts, and its workers.

24) The second consumer is the person who wishes to put a particular exhaust or silencer upon a motor vehicle and so has an interest in the makes, types and performance of exhausts and silencers; the type of person covered by the current marketing strategy of SEL.

25) The purchasing process of both types of consumer will be freighted with knowledge of the trade and the purchase will be a careful and educated decision; a purchasing process that will lessen the effects of imperfect recollection. The goods will be purchased primarily as a result of consultation with brochures and price lists, whether print or online, and so visual similarity will be of more importance than aural similarity when considering the likelihood of confusion.

26) The average consumer for tyres, other than motor vehicle manufacturers, is the motor vehicle user at large who will purchase tyres to replace wearing or punctured tyres or, in more northerly climes of the United Kingdom, will replace summer tyres with winter tyres and vice versa. The purchaser will make a choice as to the brand of tyre that he or she purchases. The purchase of tyres is an intermittent activity and a purchase that will normally be made with a reasonable degree of care owing to the suitability, durability and reliability of the tyre being taken into account. The purchaser will be faced with different sub-brands of tyres for different purposes and for different types of vehicle. The trade mark of the tyre will be displayed on the tyre wall, as shown in the evidence of Pirelli; it will be displayed in catalogues and signage at a service centre. Consequently, visual similarity will be of more importance than aural similarity when considering the likelihood of confusion. However, oral use will not be insignificant as the choice of tyre will be conveyed to the fitter orally. The same sort of considerations will exist for what may be described as the ancillary products to tyres: *rims and covers for vehicle wheels; vehicle wheels; wheel rims*. The nature of the purchasing process will lessen the effects of imperfect recollection.

27) The specification for SCORPION VERDE also includes *vehicles; apparatus for locomotion by land, air or water*. These products will include cars, motorbikes, boats, aeroplanes and bicycles. The goods and their specifications and attributes will be viewed with care in brochures, whether in print or on-line, and in reviews. They are all products that will be bought with a good deal of care and after a good deal of research; lessening the effects of imperfect recollection. Owing to the nature of the purchasing decision visual similarity will be of greater importance when considering the likelihood of confusion than aural similarity.

#### *Comparison of trade marks*

28) SEL's application is for a series of two trade marks, one of which is in colour. As the earlier trade marks are not limited to colour, the coloured trade mark of the series must be drained of colour<sup>iii</sup> in its comparison with the earlier trade marks. Consequently, it is only necessary to consider the monochrome trade mark of the series. The trade marks to be compared, therefore, are:

SCORPION

SCORPION VERDE



29) The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details<sup>iv</sup>. The visual, aural and conceptual similarities of the marks must, therefore, be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components<sup>v</sup>. Consequently, there cannot be an artificial dissection of the trade marks, although it is necessary to take into account any distinctive and dominant components. The average consumer rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he/she has kept in his/her mind and he/she is deemed to be reasonably well informed and reasonably circumspect and observant<sup>vi</sup>. The assessment of the similarity of the trade marks must be made by reference to the perception of the relevant public<sup>vii</sup>.

30) In the SCORPION trade mark there is one component and the distinctiveness and dominance lies in the trade mark as a whole. In SCORPION VERDE the VERDE element for the average consumer in the United Kingdom will have no meaning, it will be seen as invented word. It is a rule of thumb that the consumer's attention is normally directed to the beginnings of words or trade marks<sup>viii</sup>. SCORPION is a word with a well-known meaning. As VERDE is an invented word for the average consumer, SCORPION will not be perceived as having an adjectival and subjugatory relationship with VERDE. The rule of thumb applies here and SCORPION is the slightly more dominant and distinctive component of the trade mark. However, VERDE is still a distinctive component. Owing to the invented nature of VERDE, for the average consumer, the trade mark is likely to hang together in the perception and memory of the average consumer; is not likely to be seen as equity and sub-brand. In the trade mark of SEL, SCORPION stands out in terms of prominence; it is the element to which the eye immediately travels. RED POWER is much smaller than the SCORPION component and will be perceived as being an attribute of the SCORPION brand. The device element is abstract and, to a large part, acts as background to the word elements of the trade mark. The dominant and distinctive component of the trade mark of SEL is SCORPION. Phonetically, visually and conceptually the trade marks coincide in relation to the SCORPION component. There are visual, phonetic and conceptual differences between the trade mark of SEL and SCORPION because of the device element and the words RED POWER. However, taking into account the dominance of the SCORPION element of SEL's trade mark, there is a high degree of similarity between the trade mark of SEL and SCORPION. Owing to the VERDE element in the other trade mark of Pirelli, there are greater differences between the respective trade marks. However, owing to the common and prominent SCORPION element there is still a degree of similarity when considering the trade marks in their entirety and the impression and perception that the average consumer is likely to retain in relation to the respective trade marks.

### *Comparison of goods*

31) In “construing a word used in a trade mark specification, one is concerned with how the product is, as a practical matter, regarded for the purposes of trade<sup>ix</sup>”. Words should be given their natural meaning within the context in which they are used; they cannot be given an unnaturally narrow meaning<sup>x</sup>. Consideration should be given as to how the average consumer would view the goods<sup>xi</sup>. In *YouView TV Limited v Total Limited* [2012] EWHC 3158 (Ch) at paragraph 12 Floyd J stated:

“Where words or phrases in their ordinary and natural meaning are apt to cover the category of goods in question, there is equally no justification for straining the language unnaturally so as to produce a narrow meaning which does not cover the goods in question.”

The class of the goods in which they are placed may be relevant in determining the nature of the goods<sup>xii</sup>.

32) In assessing the similarity of goods it is necessary to take into account, inter alia, their nature, their intended purpose, their method of use and whether they are in competition with each other or are complementary<sup>xiii</sup>. In *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281, Jacob J also gave guidance as to how similarity should be assessed<sup>xiv</sup>. In *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-325/06 GC* explained when goods are complementary:

“82 It is true that goods are complementary if there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking (see, to that effect, Case T-169/03 *Sergio Rossi v OHIM – Sissi Rossi (SISSI ROSSI)* [2005] ECR II-685, paragraph 60, upheld on appeal in Case C-214/05 P *Rossi v OHIM* [2006] ECR I-7057; Case T-364/05 *Saint-Gobain Pam v OHIM – Propamsa (PAM PLUVIAL)* [2007] ECR II-757, paragraph 94; and Case T-443/05 *El Corte Inglés v OHIM – Bolaños Sabri (PiraÑAM diseño original Juan Bolaños)* [2007] ECR I-0000, paragraph 48).”

33) The goods of the application are:

*exhausts; exhaust systems; exhaust pipes; silencers; parts and fittings for the aforesaid; all for use in connection with motor vehicles, motorbikes and all terrain vehicles.*

The goods of the SCORPION registration are:

*tyres, solid, semi-pneumatic and pneumatic tyres, rims and covers for vehicle wheels, vehicle wheels, rims for vehicle wheels.*

The goods of the SCORPION VERDE registration are:

*tyres; solid, semi-pneumatic and pneumatic tyres, rims and covers for vehicle wheels; vehicle wheels; wheel rims; vehicles; apparatus for locomotion by land, air or water.*

34) With the exception of *vehicles; apparatus for locomotion by land, air or water* the respective specifications are effectively identical. Consideration will be given first to the similarity in relation to this effectively common element of the specifications of Pirelli.

35) In its written submissions SEL refers to how its trade marks are used at the moment and how it has used them in the past, rather than what the specification is for. The current, or past, marketing undertaken by the parties is not relevant to the issues to be determined, as the GC stated in *NHL Enterprises BV v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-414/05*:

“71 The Court considers, first, that that assessment by the Board of Appeal is not called in question by the particular conditions in which the applicant’s goods are marketed, since only the objective marketing conditions of the goods in question are to be taken into account when determining the respective importance to be given to visual, phonetic or conceptual aspects of the marks at issue. Since the particular circumstances in which the goods covered by the marks at issue are marketed may vary in time and depending on the wishes of the proprietors of those marks, the prospective analysis of the likelihood of confusion between two marks, which pursues an aim in the general interest, namely that the relevant public may not be exposed to the risk of being misled as to the commercial origin of the goods in question, cannot be dependent on the commercial intentions of the trade mark proprietors – whether carried out or not – which are naturally subjective (see, to that effect, *NLSPORT*, *NLJEANS*, *NLACTIVE* and *NLCollection*, cited at paragraph 61 above, paragraph 49, and Case T-147/03 *Devinlec v OHIM – TIME ART (QUANTUM)* [2006] ECR II-11, paragraphs 103 to 105, upheld on appeal by the Court by judgment of 15 March 2007 in Case C-171/06 P *TIME ART v OHIM*, not published in the ECR, paragraph 59).”<sup>xv</sup>

36) In its analysis of the similarity of the respective goods, SEL ignores *rims and covers for vehicle wheels, vehicle wheels, rims for vehicle wheels* of the earlier rights. These goods have to be considered.

37) Tyres are of rubber. The goods of the application are of metal. They have a different nature. *Rims, vehicle wheels, rims for vehicle wheels* will all normally be of metal, and so of the same basic material as the goods of the application. There are a multitude of products that are made of metal; that both sets of goods are of metal says little or nothing about their similarity. *Covers for vehicle wheels* will normally be of plastic or some similar material and so not of the same nature as the goods of the application. Both sets of goods will be used on vehicles and will be available in the same establishments; although, there is nothing to suggest that they will be in the same areas of the establishments. The respective goods are not fungible, they are not in competition. The respective goods are essential to wheeled vehicles with internal combustion engines, however, their indispensable nature relates to the vehicle as a whole rather than to each other. They are not complementary. As part of a wheeled vehicle the goods of the application will duct fumes and silence the sound of the vehicle. The goods of the earlier registrations, with the exception of covers, are designed for the movement of the car. The goods of the earlier registrations have a different purpose in wheeled vehicles to those of the application. The end users of the respective goods will be vehicle owners. However, in the case of exhausts, in many cases the end user will not be aware of the trade mark used in relation to exhausts and silencers (see above). The coincidences between the goods for the most part are very distant ie certain of the goods being of metal and the respective goods all being used on wheeled motor vehicles. The closest point of coincidence arises from the common channels of trade that the goods share. **The respective goods have a very low degree of similarity.**

38) In *Les Editions Albert René v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-336/03 the GC stated:

“61 The applicant’s arguments can only be rejected. It is true that computers in different forms are necessary for the proper operation of ‘instruments and installations for telecommunication’ and ‘telephone-answering service (for temporarily absent subscribers)’ may occasionally be supplied by the body which manufactures the necessary equipment, but that is not enough to conclude that those goods and services are similar, still less ‘very similar’. The mere fact that a particular good is used as a part, element or component of another does not suffice in itself to show that the finished goods containing those components are similar since, in particular, their nature, intended purpose and the customers for those goods may be completely different.”

39) Simply because one product is or could be a part of another does not make the two products similar automatically. However, the goods of the application will form parts of *vehicles* and *apparatus for locomotion by land* which require exhausts owing to the nature of their engines. The exhausts and silencers require the vehicles and vice versa, they are mutually dependent. The degree of interdependency is such that the goods must be considered complementary.

The respective goods are not fungible, they are not in competition. Main dealers of motor vehicles also service the vehicles; consequently, the respective goods could be available at the same establishments and have the same channel of trade. The end users of the respective goods will be vehicle owners, consequently they have the same end user. Overall, the respective goods have a reasonable degree of similarity.

### *Conclusion*

40) SEL refers to lack of confusion in the market place. There is a tranche of case law to the effect that lack of confusion in the market place is indicative of very little: *The European Limited v The Economist Newspaper Ltd* [1998] FSR 283, *Rousselon Freres et Cie v Horwood Homewares Limited* [2008] EWHC 881 (Ch), *Compass Publishing BV v Compass Logistics Ltd* [2004] RPC 41 and *Aceites del Sur-Coosur SA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case C-498/07 P*. In *The European Limited v The Economist Newspaper Ltd* Millet LJ stated:

“Absence of evidence of actual confusion is rarely significant, especially in a trade mark case where it may be due to differences extraneous to the plaintiff's registered trade mark.”

In *Compass Publishing BV v Compass Logistics Ltd* [2004] RPC 41 Laddie J stated:

“22. It is frequently said by trade mark lawyers that when the proprietor's mark and the defendant's sign have been used in the market place but no confusion has been caused, then there cannot exist a likelihood of confusion under Article 9.1(b) or the equivalent provision in the Trade Marks Act 1994 ("the 1994 Act"), that is to say s. 10(2). So, no confusion in the market place means no infringement of the registered trade mark. This is, however, no more than a rule of thumb. It must be borne in mind that the provisions in the legislation relating to infringement are not simply reflective of what is happening in the market. It is possible to register a mark which is not being used. Infringement in such a case must involve considering notional use of the registered mark. In such a case there can be no confusion in practice, yet it is possible for there to be a finding of infringement. Similarly, even when the proprietor of a registered mark uses it, he may well not use it throughout the whole width of the registration or he may use it on a scale which is very small compared with the sector of trade in which the mark is registered and the alleged infringer's use may be very limited also. In the former situation, the court must consider notional use extended to the full width of the classification of goods or services. In the latter it must consider notional use on a scale where direct competition between the proprietor and the alleged infringer could take place.”

41) Pirelli criticises the evidence of SEL. It refers to gaps in evidence of use and the use of different trade marks. The evidence shows a use over many years of SCORPION by SEL in relation to exhausts and silencers. The format of the trade mark has varied but it has always been first and foremost a SCORPION trade mark. These proceedings turn on the use of SCORPION, Pirelli's case rests upon this.

42) There has been no evidence of use of the trade mark of Pirelli in relation to vehicles; consequently, there is nothing to suggest that such goods have been put on the market and so they have not co-existed with the goods of SEL. The trade marks of Pirelli, where they have been used, have been used within the compass of the Pirelli house mark. It is necessary to consider the trade marks as registered; so the absence of confusion in relation to tyres is not telling. In his evidence, Mr Vrinten states that he has sold Pirelli tyres but not the SCORPION range of Pirelli tyres. If there were such use, it would not be pertinent as it would relate to selling tyres within the compass of the Pirelli house mark; not goods sold only by reference to the trade marks upon which Pirelli relies.

43) In its submissions Pirelli requested that an Australian decision in relation to opposition proceedings between the parties be taken into account. As Australian legislation is not akin to the 1994 Act it is not possible to see the pertinence of this decision. It is noted that in relation to the similarity of the goods, Australia follows the position of the United Kingdom's 1938 Act ie goods of the same description and the application of *Jellinek's Application*. The Australian decision lacks pertinence in these proceedings and no weight is given to it. This case must be judged on the facts of the case and the evidence, the position in the United Kingdom and the European Union and within the parameters of the law of the European Union and the current law of the United Kingdom.

44) In considering whether there is a likelihood of confusion various factors have to be taken into account. There is the interdependency principle – a lesser degree of similarity between trade marks may be offset by a greater degree of similarity between goods, and vice versa<sup>xvi</sup>. It is necessary to consider the distinctive character of the earlier trade mark; the more distinctive the earlier trade mark the greater the likelihood of confusion<sup>xvii</sup>. The distinctive character of a trade mark can be appraised only, first, by reference to the goods in respect of which registration is sought and, secondly, by reference to the way it is perceived by the relevant public<sup>xviii</sup>. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, it is necessary to make an overall assessment of the greater or lesser capacity of the trade mark to identify the goods for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods from those of other undertakings<sup>xix</sup>. In *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc Case C-39/97* the CJEU held that “the distinctive character of the earlier trade mark, and in particular its reputation, must be taken into account when determining



whether the similarity between the goods or services covered by the two trade marks is sufficient to give rise to the likelihood of confusion”.

45) In *Aceites del Sur-Coosur SA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case C-498/07 P CJEU considered the approach to be taken in relation to composite trade marks:

“61 In particular, the Court has held that in the context of examination of the likelihood of confusion, assessment of the similarity between two marks means more than taking just one component of a composite trade mark and comparing it with another mark. On the contrary, the comparison must be made by examining each of the marks in question as a whole (see order in *Matratzen Concord v OHIM*, paragraph 32; *Medion*, paragraph 29; and *OHIM v Shaker*, paragraph 41).

62 In that regard, the Court has also held that, according to established case-law, the overall impression created in the mind of the relevant public by a complex trade mark may, in certain circumstances, be dominated by one or more of its components. However, it is only if all the other components of the mark are negligible that the assessment of the similarity can be carried out solely on the basis of the dominant element (*OHIM v Shaker*, paragraphs 41 and 42, and Case C-193/06 P *Nestlé v OHIM* [2007] ECR I-114, paragraphs 42 and 43 and the case-law cited).”

In *Medion AG v Thomson multimedia Sales Germany & Austria GmbH* Case C-120/04 the CJEU stated:

“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.

31 In such a case the overall impression produced by the composite sign may lead the public to believe that the goods or services at issue derive, at the very least, from companies which are linked economically, in which case the likelihood of confusion must be held to be established.

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.

33 If such a condition were imposed, the owner of the earlier mark would be deprived of the exclusive right conferred by Article 5(1) of the directive even where the mark retained an independent distinctive role in the composite sign but that role was not dominant.”

46) SCORPION VERDE and SCORPION neither describe nor allude to the goods in relation to which they are registered. SCORPION will act as a hook for the memory as a well-known word with no descriptive relationship with the goods of the registrations. However, as an ordinary dictionary word, SCORPION will not enjoy the highest degree of inherent distinctiveness. VERDE of the former trade mark will, for the average consumer in the United Kingdom, be an invented word and have no allusive or descriptive quality. SCORPION enjoys a reasonable degree of inherent distinctiveness; SCORPION VERDE has greater inherent distinctiveness owing to the VERDE element.

47) The nature of the respective goods is such that the effects of imperfect recollection will be lessened (see above).

47) SCORPION VERDE is less similar than SCORPION to the trade mark of SEL. However, the former trade mark is registered for goods that are more similar to the goods of the application than those of the latter trade mark. The alien elements of the trade mark of SEL are not negligible, however, SCORPION does dominate the trade mark.

48) The average consumer will see SCORPION VERDE as a whole, with SCORPION as the slightly more dominant element. Owing to the invented element of VERDE, the average consumer will not see VERDE as a sub-brand of SCORPION but see the trade mark as an integrated whole. Faced with the trade mark of SEL, taking into account the following:

- The educated nature of the purchasing process; especially in relation to the goods where there is greater similarity ie vehicles.
- SCORPION, not being an invented word, the average consumer will not assume that two trade marks sharing this element necessarily emanate from the same undertaking.
- The differences in the trade marks.

It is not considered that either type of average consumer (see above) will confuse the trade mark of SEL with SCORPION VERDE directly nor will she or he believe that the respective goods emanate from the same or economically linked undertakings (indirect confusion). **There is not a likelihood of confusion.**

49) In relation to the SCORPION trade mark of Pirelli, owing to the very low degree of similarity between the respective goods and the differences between the respective trade marks, the nature of the purchasing process and the visual

differences between the respective trade marks, there is neither a likelihood of direct nor indirect confusion. **There is not a likelihood of confusion.**

**50) The ground of opposition under section 5(2)(b) of the Act is dismissed.**

*Costs*

51) SEL having been successful is entitled to a contribution towards its costs. An interlocutory hearing was held on 8 June 2012 in relation to a request for an extension of time requested by Pirelli. At the hearing Pirelli advised that it had filed its evidence. An extension of time was allowed to allow the evidence in. A case management conference was held on 28 November 2012 as Pirelli requested extra time to file evidence in reply. An extension was granted but no further evidence was filed. SEL will receive costs of £250 in relation to the interlocutory hearing and £250 in relation to the case management conference. Costs are awarded upon the following basis:

Preparing a statement and considering statement of Pirelli:	£400
Preparing evidence and considering the evidence of Pirelli:	£1,000
Case management conference and interlocutory hearing:	£500
Written submission:	£500

Total: £2,400

**Pirelli Tyre SpA is ordered to pay Scorpion Exhausts Ltd the sum of £2,400. 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 26th day of April 2013**

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

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<sup>i</sup> *General Motors Corporation v Yplon SA* Case C-375/97.

<sup>ii</sup> eg *Koninklijke KPN Nederland NV v Benelux Merkenbureau* Case C-363/99.

<sup>iii</sup> In *Specsavers International Healthcare Limited & Others v Asda Stores Limited* [2010] EWHC 2035 (Ch) Mann J stated:

“119. It is not clear to me that this is a debate which advances the case very much, but the position seems to me to be as follows. As a matter of principle the exercise involves comparing the offending sign with the registered mark and assessing the likelihood of confusion or association. The two things have to be compared. Since we live in a visual world, and signs are visual, some form of appearance has to be considered. If the registered mark is limited to a colour, then the mark that is used has to be compared, as used, to the mark that is registered, as registered (and therefore in colour). If the registered mark is unlimited as to colour then it is registered for all colours. This means that the colour of the offending sign becomes irrelevant. It will not be possible to say that its colour prevents there being an infringement. At this point one can take one of two courses, each of which ought to have the same result. The first is to imagine the registered mark in the same colour as the offending sign. The second is to drain the colour from the offending sign. Either way one then has the material for comparison. One could even imagine them both in a third colour. It does not matter. So in a sense both Mr Purvis and Mr Bloch are right. As a matter of visual convenience it seems to me to be easier to imagine the registered mark in a colour than to imagine the offending sign drained of colour, and I propose to adopt that course.”

<sup>iv</sup> *Sabel BV v Puma AG* Case C-251/95.

<sup>v</sup> *Sabel BV v Puma AG* Case C-251/95.

<sup>vi</sup> *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV* Case C-342/97:

“25. In addition, the global appreciation of the likelihood of confusion must, as regards the visual, aural or conceptual similarity of the marks in question, be based on the overall impression created by them, bearing in mind, in particular, their distinctive and dominant components. The wording of Article 5(1)(b) of the Directive — ‘...there exists a likelihood of confusion on the part of the public ...’ — shows that the perception of marks in the mind of the average consumer of the category of goods or services in question plays a decisive role in the global appreciation of the likelihood of confusion. The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details (see, to that effect, SABEL, paragraph 23).

27. In order to assess the degree of similarity between the marks concerned, the national court must determine the degree of visual, aural or conceptual similarity between them and, where appropriate, evaluate the importance to be attached to those different elements, taking account of the category of goods or services in question and the circumstances in which they are marketed.”

<sup>vii</sup> *Succession Picasso v OHIM - DaimlerChrysler (PICARO)* Case T-185/02.

<sup>viii</sup> *Les Editions Albert René v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-336/03:

“75 It should be noted in this regard that the attention of the consumer is usually directed to the beginning of the word (Joined Cases T-183/02 and T-184/02 *El Corte Inglés v*

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*OHIM – González Cabello and Iberia Líneas Aéreas de España (MUNDICOR) [2004] ECR II-0000, paragraph 83).*”

<sup>ix</sup> *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281.

<sup>x</sup> *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another* [2000] FSR 267.

<sup>xi</sup> *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2003] RPC 32 dealt with a non-use issue but are still pertinent to the consideration of the meaning and effect of specifications:

“In my view that task should be carried out so as to limit the specification so that it reflects the circumstances of the particular trade and the way that the public would perceive the use. The court, when deciding whether there is confusion under section 10(2), adopts the attitude of the average reasonably informed consumer of the products. If the test of infringement is to be applied by the court having adopted the attitude of such a person, then I believe it appropriate that the court should do the same when deciding what is the fair way to describe the use that a proprietor has made of his mark. Thus, the court should inform itself of the nature of trade and then decide how the notional consumer would describe such use”

<sup>xii</sup> *Altecnic Ltd's Trade Mark Application* [2002] RPC 34.

<sup>xiii</sup> *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* Case C-39/97.

<sup>xiv</sup> He considered that the following should be taken into account when assessing the similarity of goods and/or services:

“(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;  
(e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;  
(f) The extent to which the respective goods 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 for industry, put the goods or services in the same or different sectors.”

<sup>xv</sup> The same reasoning can be seen in *Phildar SA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-99/06*, *Oakley, Inc v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-116/06*, *Devinlec Développement Innovation Leclerc SA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-147/03*, *Sadas SA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-346/04* and *Daimlerchrysler AG v Office for Harmonization In the Internal Market (Trade Marks and Designs) Case T-358/00*.

<sup>xvi</sup> *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* Case C-39/97.

<sup>xvii</sup> *Sabel BV v Puma AG* Case C-251/95.

<sup>xviii</sup> *Rewe Zentral AG v OHIM (LITE)* Case T-79/00.

<sup>xix</sup> *Windsurfing Chiemsee v Huber and Attenberger* Joined Cases C-108/97 and C-109/97.

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