

**O/938/21**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO. UK00003511309**

**BY NORTON MOTORCYCLE RACING LIMITED**

**TO REGISTER THE TRADE MARK:**

**Norton Motorcycle Racing**

**IN CLASS 12**

**AND**

**OPPOSITION THERETO UNDER NO. 422122**

**BY THE NORTON MOTORCYCLE CO. LIMITED**

## BACKGROUND AND PLEADINGS

1. On 13 July 2020, Norton Motorcycle Racing Limited (“the applicant”) applied to register the trade mark shown on the cover page of this decision, in the UK. The application was published for opposition purposes on 9 October 2020 and registration is sought for the following goods:

Class 12     Motorbikes.

2. On 18 November 2020, The Norton Motorcycle Co. Limited (“the opponent”) opposed the application based upon sections 5(2)(b), 5(3), 5(4)(a) and 3(6) of the Trade Marks Act 1994 (“the Act”). Under sections 5(2)(b) and 5(3), the opponent relies on the following trade marks:

NORTON

UKTM no. 2150309A

Filing date 3 November 1997; registration date 17 September 2004

(“the First Earlier Mark”)

The logo for Norton, featuring the word "Norton" in a bold, black, serif font. The letter 'N' is particularly large and stylized, with a thick, curved underline that sweeps under the rest of the word.

NORTON

UKTM no. 1459204

Filing date 22 March 1991; registration date 28 August 1992

(“the Second Earlier Mark”)

NORTON

EUTM no. 2931798

Filing date 5 November 2002; registration date 17 September 2010

(“the Third Earlier Mark”)

3. The opponent relies upon all goods for which the earlier marks are registered, as set out in the Annex to this decision.

4. Under section 5(2)(b), the opponent claims that the parties' marks are similar and that the goods are identical or similar, meaning that there will be a likelihood of confusion.

5. Under section 5(3), the opponent claims a reputation in the goods relied upon and claims that use of the applicant's mark would, without due cause, take unfair advantage of, or be detrimental to, the distinctive character and/or repute of the earlier marks.

6. Under section 5(4)(a), the opponent relies upon the signs **NORTON**, **NORTON MOTORCYCLES** and **NORTON RACING** which it claims to have used throughout the UK since 1991 in relation to "motorcycles; motorcycle engines; motorcycle parts, fittings and accessories; bags, cases and leather goods relating to motorcycling; clothing, footwear and headgear relating to motorcycles; motorcycle racing services; protective clothing, including headgear and footwear, for use in relation to riding motorcycles".

7. Under section 3(6), the opponent claims that the applicant was aware of the opponent's interest in the applied-for mark prior to filing and that the application was made with the intention of blocking the opponent's legitimate business or to incur unreasonable and unnecessary legal costs in defending their rights. The opponent claims that this amounts to conduct falling below the standards of acceptable commercial behaviour and amounts to bad faith.

8. The applicant filed a counterstatement denying the claims made.

9. The opponent is represented by Bird & Bird LLP and the applicant is unrepresented. Only the opponent filed evidence. Neither party requested a hearing and only the opponent filed written submissions in lieu. This decision is taken following a careful perusal of the papers.

## **EVIDENCE AND SUBMISSIONS**

10. The opponent filed evidence in the form of the witness statement of Sharad Mohan Mishra dated 13 August 2021. Mr Mishra is a Director of the opponent, a position he has held since 3 April 2020.

11. The opponent filed written submissions dated 25 November 2021.

12. Whilst I do not propose to summarise the evidence and submissions here, I have taken them into account in reaching this decision and will refer to them below where necessary.

## **DECISION**

### **Relevance of EU law**

13. Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Act relied upon in these proceedings are derived from an EU Directive. This is why this decision continues to make reference to the trade mark case-law of EU courts.

### **Section 5(2)(b)**

14. Section 5(2)(b) of the Act reads as follows:

“5(2) A trade mark shall not be registered if because –

(a) [...]

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

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

15. By virtue of their earlier filing dates, the trade marks upon which the opponent relies qualify as earlier trade marks pursuant to section 6 of the Act. As the earlier marks had completed their registration process more than 5 years prior to the application date for the applicant’s mark, they are, in principle, subject to the proof of use provisions at section 6A of the Act. However, as the applicant did not request that the opponent provide proof of use of the earlier marks, the opponent is entitled to rely upon all of the goods identified.

16. The relevant date for the assessment under this ground is the application dated i.e. 13 July 2020.

17. The following principles are gleaned from the decisions of the EU courts in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P:

(a) The likelihood of confusion must be appreciated globally, taking account of all relevant factors;

(b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

(e) nevertheless, the overall impression conveyed to the public by a composite trade mark may be dominated by one or more of its components;

(f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

(g) a lesser degree of similarity between the goods or services may be offset by a greater degree of similarity between the marks, and vice versa;

(h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;

(i) mere association, in the strict sense that the later mark brings to mind the earlier mark, is not sufficient;

(j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;

(k) if the association between the marks creates a risk that the public will wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

## Comparison of goods

18. I have included only those goods covered by the opponent's specification that I consider necessary in the table below. The full breadth of the opponent's specification is set out in the Annex to this decision. With that in mind, the competing goods are as follows:

Opponent's goods	Applicant's goods
<b>The First Earlier Mark</b> <u>Class 12</u> Motorcycles, engines and parts, fittings and accessories therefor.	<u>Class 12</u> Motorbikes.
<b>The Second Earlier Mark</b> <u>Class 12</u> Motorcycles and engines for vehicles.	
<b>The Third Earlier Mark</b> <u>Class 12</u> Motorcycles, motorcycle engines and parts, fittings and accessories for motorcycles.	

19. The term "motorbikes" in the applicant's specification is self-evidently identical to "motorcycles" contained within the specifications of the earlier marks.

## The average consumer and the nature of the purchasing act

20. As the case law above indicates, it is necessary for me to determine who the average consumer is for the respective parties' goods. I must then determine the manner in which the goods are likely to be selected by the average consumer. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The*

*Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J described the average consumer in these terms:

“60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The words “average” denotes that the person is typical. The term “average” does not denote some form of numerical mean, mode or median.”

21. The opponent submits that the average consumer is “motorbike enthusiasts, including those that purchase and use motorbikes”. I do not consider that the average consumer would be limited to “enthusiasts” only, but would include members of the general public who ride motorbikes. The goods are likely to be relatively expensive and infrequent purchases. Various factors such as aesthetics and performance are likely to be taken into account when purchasing the goods. Consequently, I consider that a high degree of attention is likely to be paid during the purchasing process.

22. The goods are likely to be selected following perusal of the goods and signage on physical retail premises or their online equivalents. Consequently, visual considerations are likely to dominate the selection process. However, I do not discount that there may also be an aural component to the purchase of the goods, as advice may be sought from retail assistants.

### **Comparison of trade marks**


23. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a trade mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the trade marks must be assessed by reference to the overall impressions created by the trade marks, bearing in mind their distinctive and dominant components. The CJEU stated, at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:



“... it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.”

24. It would be wrong, therefore, to artificially dissect the trade marks, although it is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks.

25. The respective trade marks are shown below:

Opponent's trade marks	Applicant's trade mark
<p data-bbox="252 1131 735 1220">NORTON (the First and Third Earlier Marks)</p>  <p data-bbox="309 1592 679 1709">NORTON (the Second Earlier Mark)</p>	<p data-bbox="914 1131 1283 1167">Norton Motorcycle Racing</p>

Overall Impression

26. The First and Third Earlier Marks consist of the word NORTON. There are no other elements to contribute to the overall impression which lies in the word itself. The

Second Earlier Mark consists of the word NORTON presented in a stylised font, above the word NORTON in standard capitalised text. In my view, the overall impression of the mark is dominated by the word NORTON itself, with the stylisation and repetition playing a lesser role. The applicant's mark consists of the words 'Norton Motorcycle Racing'. The overall impression lies in the combination of these words, with the word 'Norton' being more distinctive and playing a greater role due to the non-distinctive nature of 'Motorcycle Racing'.

### Visual Comparison

27. Visually, the word NORTON appears identically in both the First and Third Earlier Marks and the applicant's mark. The words 'Motorcycle Racing' in the applicant's mark act as a point of visual difference. Taking all of this into account, I consider the First and Third Earlier Mark and the applicant's mark to be visually highly similar.

28. The same comparison applies to the Second Earlier Mark. As registration of a word only mark covers use in any standard typeface (as is the case with the applicant's mark), I do not consider that the stylisation in the earlier mark makes any material difference. However, the repetition of the word NORTON will act as a point of visual difference. Consequently, I consider the Second Earlier Mark and the applicant's mark to be visually similar to a medium degree.

### Aural Comparison

29. Aurally, the word NORTON will be pronounced identically in both the First and Third Earlier Marks and the applicant's mark. The pronunciation of the words 'Motorcycle Racing' in the applicant's mark act as a point of aural difference. Consequently, I consider the First and Third Earlier Marks and the applicant's mark to be aurally similar to a high degree.

30. The same comparison applies to the Second Earlier Mark. However, the repetition of the word NORTON, if it is articulated, will act as a further point of aural difference. Consequently, I consider the Second Earlier Mark and the applicant's mark to be aurally similar to a medium degree.

## Conceptual Comparison

31. Conceptually, I consider it likely that the word NORTON in all of the marks will be viewed as a name and will be identical. However, the words Motorcycle Racing in the applicant's mark act as a point of conceptual difference, albeit not a distinctive one.

### **Distinctive character of the earlier marks**

32. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97 the CJEU stated that:

“22. 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, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-2779, paragraph 49).

23. In making that assessment, account should be taken, in particular, 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; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51).”

33. Registered trade marks possess varying degrees of inherent distinctive character, ranging from the very low, because they are suggestive or allusive of a characteristic

of the goods, to those with high inherent distinctive character, such as invented words which have no allusive qualities. The distinctive character of a mark can be enhanced by virtue of the use that has been made of it.

34. I will begin by assessing the inherent distinctiveness of the earlier marks. In my view, the word NORTON is likely to be viewed as a relatively uncommon name. Consequently, I consider it to be inherently distinctive to a medium degree.

35. Mr Mishra gives evidence that the NORTON brand was founded in 1898 in Birmingham. Mr Mishra explains that although the business originally specialised in motorcycle parts, the first NORTON motorcycles were produced in 1902. Mr Mishra states that the opponent's reputation was enhanced by its decision to race its bikes at competitive events such as the 1907 Isle of Man TT. The Second Earlier Mark has been in use since 1915.<sup>1</sup>

36. By 1909, the NORTON motorcycle was stocked in Harrods and by the mid-1930s, over 4,000 NORTON road bikes were being produced annually for the commercial market in the UK.<sup>2</sup> Although the outbreak of World War Two impacted the commercial sales of NORTON motorcycles, over 100,000 side valve motorcycles were produced for the UK war effort, which amounted to roughly 25% of all military motorcycles produced for the British Government during the war.

37. There was a resurgence in the mid-1960s with the release of the NORTON 'Commando' bike, which has been described as "one of the greatest parallel twins ever" by *Motor Cycle News*.<sup>3</sup> Mr Mishra states that over 500,000 of these bikes were produced and sold between 1968 and 1976. Production ceased in the 1990s, but recommenced in 2009. Mr Mishra states that production was limited as each bike was hand-assembled and the first run of bikes sold out very quickly. NORTON bikes have continued to be raced in the Isle of Man TT and were featured in the 2015 James Bond film *Spectre*. Mr Mishra states that turnover of the NORTON brand rose from £2,178,803 in 2013 to £6,718,914 in 2018. However, I note that an article from *The*

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<sup>1</sup> Exhibit SMM2

<sup>2</sup> Exhibit SMM1

<sup>3</sup> Exhibit SMM20

*Times* states that about 80% of Norton's turnover in 2014 was generated by sales overseas.<sup>4</sup>

38. It is clear that use of the earlier marks by the opponent's predecessors in title has been long-standing. However, I have no information about the number of sales that have been made in the UK market during recent years and no information about advertising and promotional expenditure within the UK market. I recognise that references have been made to the opponent's brand within news articles and films, but I have no information about market share. Taking all of this into account, I am not satisfied that the opponent has demonstrated that the earlier marks have acquired enhanced distinctive character through use.

### **Likelihood of confusion**

39. Confusion can be direct or indirect. Direct confusion involves the average consumer mistaking one mark for the other, while indirect confusion is where the average consumer realises the marks are not the same but puts the similarity that exists between the marks down to the responsible undertakings being the same or related. There is no scientific formula to apply; rather, it is a global assessment where a number of factors need to be borne in mind. The first is the interdependency principle i.e. a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the respective goods and vice versa. As I mentioned above, it is necessary for me to keep in mind the distinctive character of the earlier marks, the average consumer for the goods and the nature of the purchasing process. In doing so, I must be alive to the fact that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them that he has retained in his mind.

40. I have found the First and Third Earlier Marks and the applicant's mark to be visually and aurally similar to a high degree. I have found the Second Earlier Mark and the applicant's mark to be visually and aurally similar to a medium degree. I have found that the conceptual meaning of the word NORTON will be identical in all of the marks,

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<sup>4</sup> Exhibit SMM42

but the words 'Motorcycle Racing' in the applicant's mark will act as a point of conceptual difference, albeit not a distinctive one. I have found the earlier marks to be inherently distinctive to a medium degree. I have found that the average consumer is a member of the general public who will purchase the goods predominantly by visual means, although I do not discount an aural component. I have found that a high degree of attention will be paid during the purchasing process. I have found the goods to be identical.

41. The opponent submits:

"Given the high degree of similarity between the Opposed Mark and the Earlier Trade Marks and the identity between the goods for which their protection is sought/for which they are registered, it is inevitable that there exists a likelihood of confusion on the part of the relevant public in the UK."

42. I bear in mind that the average consumer will be paying a high degree of attention during the purchasing process. However, given that the dominant and distinctive element of all of the marks is the word NORTON, I consider it likely that this is what will be recalled by the average consumer. When used on identical goods, I consider there to be a likelihood of direct confusion. However, even if the differences are recalled, given the common use of the word NORTON, which is the only element of the First and Third Earlier Marks and the dominant and distinctive element of the Second Earlier Mark and the applicant's mark, I consider it likely that the average consumer will conclude that these are alternative marks being used by the same or economically linked undertakings. This is particularly likely given the identical goods. The addition of the non-distinctive wording 'Motorcycle Racing' in the applicant's mark may simply be viewed as a sub-brand used to indicate a type of motorbike produced by the opponent which is well suited to racing activities. Consequently, I consider there to be a likelihood of indirect confusion.

43. The opposition based upon section 5(2)(b) succeeds in its entirety.

## **Section 5(3)**

44. Section 5(3) of the Act states:

“5(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 European Union trade mark or international trade mark (EC), in the European Union) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or repute of the earlier trade mark.”

45. I bear in mind the relevant case law set out in the following judgments of the CJEU: *Case C-375/97, General Motors, Case 252/07, Intel, Case C-408/01, Adidas-Salomon, Case C-487/07, L’Oreal v Bellure* and *Case C-323/09, Marks and Spencer v Interflora*. The conditions of section 5(3) are cumulative. Firstly, the opponent must show that its marks are similar to the applicant’s mark. Given my findings above, the opponent has clearly satisfied this hurdle. Secondly, the opponent must show that the earlier marks have achieved a level of knowledge/reputation amongst a significant part of the public. Thirdly, it must be established that the level of reputation and the similarities between the marks will cause the public to make a link between them, in the sense of the earlier marks being brought to mind by the later mark. Fourthly, assuming the first and second conditions have been met, section 5(3) requires that one or more of the types of damage will occur. It is unnecessary for the purposes of section 5(3) that the goods be similar, although the relative distance between them is one of the factors which must be assessed in deciding whether the public will make a link between the marks.

46. The relevant date for the assessment under this ground is 13 July 2020.

## Reputation

47. In *General Motors*, Case C-375/97, the CJEU held that:

“25. It cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trade mark must be known by a given percentage of the public so defined.

26. The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.

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.

28. Territorially, the condition is fulfilled when, in the terms of Article 5(2) of the Directive, the trade mark has a reputation 'in the Member State'. In the absence of any definition of the Community provision in this respect, a trade mark cannot be required to have a reputation 'throughout' the territory of the Member State. It is sufficient for it to exist in a substantial part of it.”

48. In determining whether the opponent has demonstrated a reputation for the goods in issue, it is necessary for me to consider whether its marks will be known by a significant part of the public concerned with the goods. In reaching this decision, I must take all of the evidence into account including “the market share held by the trade mark, the intensity, geographical extent and duration of use, and the size of the investment made by the undertaking in promoting it”.

49. The evidence filed by the opponent is lacking key information to enable me to make this assessment. I have no information regarding market share held by the trade mark in the UK or EU markets, I have no information about sales figures in more recent years to enable me to assess the intensity and geographical extent of the use made



of the earlier marks. Although there is information about references made to the opponent's trade marks in press articles and TV, I have no information about the amount invested in promoting the marks by the opponent. Clearly, use has been long-standing, albeit intermittent. Taking all of this into account, I am not satisfied that the opponent has demonstrated the requisite reputation.

50. The opposition based upon section 5(3) of the Act is dismissed.

**Section 5(4)(a)**

51. Section 5(4)(a) of the Act states as follows:

“5(4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented -

a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, where the condition in subsection (4A) is met,

aa)...

b) ...

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of “an earlier right” in relation to the trade mark”.

52. Subsection (4A) of section 5 of the Act states:

“(4A) The condition mentioned in subsection (4)(a) is that the rights to the unregistered trade mark or other sign were acquired prior to the date of application for registration of the trade mark or date of the priority claimed for that application.”

53. In *Discount Outlet v Feel Good UK*, [2017] EWHC 1400 IPEC, Her Honour Judge Melissa Clarke, sitting as a deputy Judge of the High Court, conveniently summarised the essential requirements of the law of passing off as follows:

“55. The elements necessary to reach a finding of passing off are the ‘classical trinity’ of that tort as described by Lord Oliver in the *Jif Lemon* case (*Reckitt & Colman Product v Borden* [1990] 1 WLR 491 HL, [1990] RPC 341, HL), namely goodwill or reputation; misrepresentation leading to deception or a likelihood of deception; and damage resulting from the misrepresentation. The burden is on the Claimants to satisfy me of all three limbs.

56. In relation to deception, the court must assess whether “*a substantial number*” of the Claimants’ customers or potential customers are deceived, but it is not necessary to show that all or even most of them are deceived (per *Interflora Inc v Marks and Spencer Plc* [2012] EWCA Civ 1501, [2013] FSR 21).”

### **Relevant date**

54. Whether there has been passing off must be judged at a particular point (or points) in time. In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11, Mr Daniel Alexander QC, sitting as the Appointed Person, considered the relevant date for the purposes of s.5(4)(a) of the Act and stated as follows:

“43. In *SWORDERS TM O-212-06* Mr Alan James acting for the Registrar well summarised the position in s.5(4)(a) proceedings as follows:

‘Strictly, the relevant date for assessing whether s.5(4)(a) applies is always the date of the application for registration or, if there is a priority date, that date: see Article 4 of Directive 89/104. However, where the applicant has used the mark before the date of the application it is necessary to consider what the position would have been at the date of the start of the behaviour complained about, and then to assess whether

the position would have been any different at the later date when the application was made.”

55. The prima facie relevant date is the date of the application i.e. 13 July 2020. The applicant has filed no evidence of its use prior to that date. I note that the opponent has filed evidence that the applicant was incorporated on 3 February 2020, along with a series of other companies using the name NORTON. However, as I have little information beyond this, I do not consider this alone gives rise to an earlier relevant date.

### **Goodwill**

56. In *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL), goodwill was described in the following terms:

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first start.”

57. In *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19 (HC), Pumfrey J. 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 s.11 of the 1938 Act (see *Smith Hayden & Co. Ltd's Application (OVAX)* (1946) 63 R.P.C. 97 as qualified by *BALI Trade Mark* [1969] R.P.C. 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 to 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 probabilities that passing off will occur.”

58. However, in *Minimax GmbH & Co KG v Chubb Fire Limited* [2008] EWHC 1960 (Pat) Floyd J. (as he then was) stated that:

“[The above] 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.”

59. I have summarised the opponent's evidence of use above. It is clear that from 1902 onwards the opponent (or its predecessor in title) was using the sign NORTON in the UK. By the mid-1930s, over 4,000 NORTON road bikes were being produced annually for the commercial market in the UK and during World War Two, the opponent's predecessors in title were engaged in production of over 100,000 side valve motorcycles for the war effort. It seems that, following the war, business slowed, but by the mid-1960s a new NORTON motorbike was released, with over 500,000 being sold between 1968 and 1976. Mr Mishra accepts that production ceased in the 1990s and did not recommence until 2009. Although production had recommenced, this was on a relatively low scale due to each bike being hand made. However, after the 1990s, the NORTON name was kept alive in the minds of the public by:

- a) NORTON bikes continuing to be raced in the Isle of Man TT.
- b) The Motorcycle Diaries, detailing Che Guevara's 1952 travels around South America on a NORTON motorbike was first published in English in the UK in 1996 and was later adapted into a film of the same name in 2004 which grossed £2.8million in cinemas in the UK.<sup>5</sup>
- c) Celebrities were pictured riding NORTON motorcycles, including Keanu Reeves in 2004 and 2006.<sup>6</sup>
- d) HRH Prince William was pictured on a NORTON motorcycle at the London Motorcycle Show in December 2013 and at the Isle of Man TT in June 2018.<sup>7</sup>
- e) A NORTON motorbike featuring in the 2015 James Bond film *Spectre*.
- f) The NORTON Owners Club was founded in 1959 and, at the time of Mr Mishra's statement, had over 5,000 members in 42 countries.<sup>8</sup>

60. Although Mr Mishra gives evidence that production recommenced in 2009, I have no information about the number of units sold in the UK market since that time up until the relevant dates. Mr Mishra confirms that turnover of the NORTON brand rose from £2,178,803 in 2013 to £6,718,914 in 2018. However, an article from *The Times* notes that around 80% of sales related to overseas markets. Consequently, the figures in relation to the UK market would have been approximately £435,760.60 in 2013, rising to £1,343,782.80 in 2018. I have no information about market share or about advertising and promotional expenditure in the UK market. Although there are issues with the opponent's evidence, taking the evidence as a whole, I am satisfied that the opponent had at least a small (but protectable) goodwill in the UK in 2018. Although I have no information about the opponent's trading activities after 2018, I am satisfied

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<sup>5</sup> Exhibit SMM27

<sup>6</sup> Exhibits SMM28 and SMM29

<sup>7</sup> Exhibits SMM36 and SMM37

<sup>8</sup> Exhibit SMM39

that there would have still been residual goodwill by the relevant date in 2020, even if trading had ceased completely. I am also satisfied that the sign NORTON was distinctive of that goodwill at the relevant date.

61. For the avoidance of doubt, I have borne in mind that the opponent's predecessor in title went into administration some time in 2020 and that it was during that year that the opponent claims to have purchased the intellectual property rights and goodwill. The fact that the purchase took place does not appear to be disputed by the applicant. It is not uncommon for goodwill to be sold following the dissolution of a company and so I do not consider that the fact that the opponent's predecessor in title went into administration impacts upon my findings as set out above.

### **Misrepresentation and damage**

62. In *Neutrogena Corporation and Another v Golden Limited and Another* [1996] RPC 473, Morritt L.J. stated that:

“There is no dispute as to what the correct legal principle is. As stated by Lord Oliver of Aylmerton in *Reckitt & Colman Products Ltd. v. Borden Inc.* [1990] R.P.C. 341 at page 407 the question on the issue of deception or confusion is

“is it, on a balance of probabilities, likely that, if the appellants are not restrained as they have been, a substantial number of members of the public will be misled into purchasing the defendants' [product] in the belief that it is the respondents' [product]”

The same proposition is stated in Halsbury's Laws of England 4th Edition Vol.48 para 148. The necessity for a substantial number is brought out also in *Saville Perfumery Ltd. v. June Perfect Ltd.* (1941) 58 R.P.C. 147 at page 175; and *Re Smith Hayden's Application* (1945) 63 R.P.C. 97 at page 101.”

And later in the same judgment:

“.... for my part, I think that references, in this context, to “more than *de minimis*” and “above a trivial level” are best avoided notwithstanding this court’s reference to the former in *University of London v. American University of London* (unreported 12 November 1993). It seems to me that such expressions are open to misinterpretation for they do not necessarily connote the opposite of substantial and their use may be thought to reverse the proper emphasis and concentrate on the quantitative to the exclusion of the qualitative aspect of confusion.”

63. I recognise that the test for misrepresentation is different from that for likelihood of confusion in that it entails “deception of a substantial number of members of the public” rather than “confusion of the average consumer”. However, as recognised by Lewison L.J. in *Marks and Spencer PLC v Interflora*, [2012] EWCA (Civ) 1501, it is doubtful whether the difference between the legal tests will produce different outcomes. Certainly, I believe that to be the case here. Given the identical fields of activity and the fact that the only difference between the applied-for mark and the opponent’s sign is the addition of the non-distinctive words “motorcycle racing”, I am satisfied that a substantial number of members of the relevant public would be misled into purchasing the applicant’s goods in the mistaken belief that they are the goods of the opponent. Damage through diversion of sales is easily foreseeable.

64. The opposition based upon section 5(4)(a) succeeds in its entirety.

### **Final remarks**

65. For the avoidance of doubt, my findings would have been the same even if I had found an earlier relevant date of February 2020 based upon the incorporation of the applicant company.

### **Section 3(6)**

66. Section 3(6) of the Act states:

“A trade mark shall not be registered if or to the extent that the application is made in bad faith.”

67. In *Sky Limited & Ors v Skykick, UK Ltd & Ors*, [2021] EWCA Civ 1121 the Court of Appeal considered the case law from *Chocoladefabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH*, Case C-529/07 EU:C:2009:361, *Malaysia Dairy Industries Pte. Ltd v Ankenævnetfor Patenter Varemærker* Case C-320/12, EU:C:2013:435, *Koton Mağazacılık Tekstil Sanayi ve Ticaret AŞ*, Case C-104/18 P, EU:C:2019:724, *Hasbro, Inc. v EUIPO, Kreativni Dogaaji d.o.o. intervening*, Case T-663/19, EU:2021:211, *pelicantravel.com s.r.o. v OHIM, Pelikan Vertriebsgesellschaft mbH & Co KG (intervening)*, Case T-136/11, EU:T:2012:689, and *Psytech International Ltd v OHIM, Institute for Personality & Ability Testing, Inc (intervening)*, Case T-507/08, EU:T:2011:46. It summarised the law as follows:

“68. The following points of relevance to this case can be gleaned from these CJEU authorities:

1. The allegation that a trade mark has been applied for in bad faith is one of the absolute grounds for invalidity of an EU trade mark which can be relied on before the EUIPO or by means of a counterclaim in infringement proceedings: *Lindt* at [34].

2. Bad faith is an autonomous concept of EU trade mark law which must be given a uniform interpretation in the EU: *Malaysia Dairy Industries* at [29].

3. The concept of bad faith presupposes the existence of a dishonest state of mind or intention, but dishonesty is to be understood in the context of trade mark law, i.e. the course of trade and having regard to the objectives of the law namely the establishment and functioning of the internal market, contributing to the system of undistorted competition in the Union, in which each undertaking must, in order to attract and retain customers by the quality of its goods or services, be able to have registered as trade marks signs which enable the consumer, without any possibility of confusion, to distinguish those goods or



services from others which have a different origin: *Lindt* at [45]; *Koton Mağazacılık* at [45].

4. The concept of bad faith, so understood, relates to a subjective motivation on the part of the trade mark applicant, namely a dishonest intention or other sinister motive. It involves conduct which departs from accepted standards of ethical behaviour or honest commercial and business practices: *Hasbro* at [41].

5. The date for assessment of bad faith is the time of filing the application: *Lindt* at [35].

6. It is for the party alleging bad faith to prove it: good faith is presumed until the contrary is proved: *Pelikan* at [21] and [40].

7. Where the court or tribunal finds that the objective circumstances of a particular case raise a rebuttable presumption of lack of good faith, it is for the applicant to provide a plausible explanation of the objectives and commercial logic pursued by the application: *Hasbro* at [42].

8. Whether the applicant was acting in bad faith must be the subject of an overall assessment, taking into account all the factors relevant to the particular case: *Lindt* at [37].

9. For that purpose it is necessary to examine the applicant's intention at the time the mark was filed, which is a subjective factor which must be determined by reference to the objective circumstances of the particular case: *Lindt* at [41] – [42].

10. Even where there exist objective indicia pointing towards bad faith, however, it cannot be excluded that the applicant's objective was in pursuit of a legitimate objective, such as excluding copyists: *Lindt* at [49].

11. Bad faith can be established even in cases where no third party is specifically targeted, if the applicant's intention was to obtain the mark for

purposes other than those falling within the functions of a trade mark: *Koton Mağazacılık* at [46].

12. It is relevant to consider the extent of the reputation enjoyed by the sign at the time when the application was filed: the extent of that reputation may justify the applicant's interest in seeking wider legal protection for its sign: *Lindt* at [51] to [52].

13. Bad faith cannot be established solely on the basis of the size of the list of goods and services in the application for registration: *Psytech* at [88], *Pelikan* at [54]".

68. According to *Alexander Trade Mark*, BL O/036/18, the key questions for determination in a claim of bad faith are:

(a) What, in concrete terms, was the objective that the applicant has been accused of pursuing?

(b) Was that an objective for the purposes of which the contested application could not be properly filed? and

(c) Was it established that the contested application was filed in pursuit of that objective?

69. It is necessary to ascertain what the applicant knew at the relevant date: *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited* [2012] EWHC 1929 (Ch). Evidence about subsequent events may be relevant, if it casts light backwards on the position at the relevant date: *Hotel Cipriani SRL and others v Cipriani (Grosvenor Street) Limited* and others, [2009] RPC 9 (approved by the Court of Appeal in England and Wales: [2010] RPC 16).

70. The relevant date for the assessment under this ground is 13 July 2020.

71. In its Form TM7, the opponent states:

“On 17 April 2020, the Opponent acquired the assets of the extremely well-renowned ‘Norton Motorcycles’ business from Norton Motorcycles (UK) Ltd and Norton Motorcycles Holdings Ltd, including the associated goodwill of the business, and numerous registrations for ‘NORTON’ trade marks, three of which are relied upon in these proceedings. This followed the ‘Norton Motorcycles’ business having entered into administration on 29 January 2020. As would be expected, the announcement of the administration and subsequent acquisition by the Opponent both received significant press coverage. By the time of the acquisition, the Opponent was already aware of the Applicant, because the Applicant’s sole director and shareholder, Mr Brian O’Connor, had on 3 February 2020 (i.e. four days after it was announced that the ‘Norton Motorcycles’ business was entering into administration) incorporated five UK companies which included the name ‘NORTON’ accompanied by other words relating to motorcycles in their name, including the Applicant company (i.e. Norton Motorcycle Racing Ltd), and other companies such as ‘Norton Motorbikes Limited’ and ‘Norton Bikes Limited’. In light of the Applicant’s activities, cease and desist letters were sent to Mr O’Connor on behalf of the administrators of the ‘Norton Motorcycles’ business on 12 February 2020 and 19 February 2020. Following the abovementioned acquisition by the Opponent, a further cease and desist letter was sent to Mr O’Connor on behalf of the Opponent on 6 July 2020, notifying him of the acquisition and putting him on notice of the fact that the Opponent was the new owner of the trade mark registrations including those relied upon in this Opposition. The Applicant filed the Application on 13 July 2020 in full knowledge of the Opponent’s rights. The Applicant’s rationale for filing the Application was therefore to adopt a blocking strategy or similar disruptive course of conduct and thereby harm the Opponent (which, as the Applicant is aware, owns a number of registrations for marks which are highly similar to the mark covered by the Application). In the alternative, the Applicant’s filing strategy is designed to disadvantage the Opponent by forcing them to incur unreasonable and unnecessary legal costs in defending their rights against spurious applications. The Applicant has acted in a manner which falls below the standards of acceptable commercial behaviour observed by reasonable and experienced people. In light of their

actual knowledge of the Opponent and the Opponent's rights, the Applicant has plainly acted dishonestly in filing the Application. In light of the above, the Application should be rejected on the grounds of bad faith."

72. The applicant is accused of pursuing a pattern of behaviour intended to block or frustrate the legitimate interests of the opponent or to cause additional and unreasonable costs to the opponent. I am satisfied that, if proven, that is an objective for the purposes of which the contested application could not be properly filed.

73. The key question, however, is whether the opponent has satisfied the burden of proving that that was the applicant's intention in filing the application. In this regard, I note the following points from the opponent's evidence:

- a) The opponent's predecessor in title went into administration in 2020. There was an article referencing this in *The Guardian* on 29 January 2020.<sup>9</sup>
- b) On 3 February 2020, the applicant company was incorporated and Mr Brian O'Connor is listed as the sole director and shareholder of the applicant.<sup>10</sup>
- c) On the same date, Mr O'Connor also incorporated Norton Bikes Ltd, Norton International Ltd, Norton Motorbikes Ltd and Norton Motorbikes (Global) Ltd.<sup>11</sup>
- d) On 12 February 2020, the solicitors acting on behalf of the administrators for the opponent's predecessor in title sent Mr O'Connor a cease and desist letter and, having received no response, a follow up letter was sent on 19 February 2020.<sup>12</sup>
- e) Mr O'Connor and/or the applicant have been operating domain names at nortonracing.net, which was registered on 13 July 2020, and nortonmotorcycles.co and nortonmotorcycles.net.

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<sup>9</sup> Exhibit SMM38

<sup>10</sup> Exhibit SMM43

<sup>11</sup> Exhibit SMM44

<sup>12</sup> Exhibits SMM45 and SMM46

- f) It appears that Mr O'Connor sells second-hand and replica NORTON motorbikes, through a business called Zeus Racing Products. There are examples of these products being posted on social media from as early as March 2020.<sup>13</sup>

74. I have found that the opponent had rights in the name NORTON at the relevant date in relation to motorbikes. Given the timing of the incorporation of the applicant, so close in proximity to the announcement that the opponent's predecessor had gone into administration, I consider it likely that Mr O'Connor would have known about this at the time of applying to register the applicant company. In any event, certainly by the time of applying to register the trade mark, Mr O'Connor (and, as a result, the applicant) had knowledge of the opponent's business. This is clear because 1) Mr O'Connor was already promoting replica/second-hand NORTON bikes via his Zeus Racing Products social media account and 2) Mr O'Connor was in receipt of the cease and desist letters from the administrators.

75. I have considered whether the fact that the opponent's predecessor in title had publicly gone into administration is a factor in favour of the applicant. However, in my view, honest and reasonable business people would be aware that stepping into the shoes of a business that had entered administration without purchasing assets/goodwill from the administrators or taking any steps to make such enquiries would fall below the accepted standards of honest commercial and business practices. This would certainly have been the case after the administrators had contacted Mr O'Connor directly prior to the relevant date.

76. It seems to me that Mr O'Connor applied for the trade mark in the full knowledge of the administrators legitimate business interests (and, later, those of the opponent) and that his intention to do so is likely to have been to block the opponent/any future purchaser of the goodwill from competing with his own business within the same field and/or to benefit from association with the goodwill of the original historical business. In my view, this creates a rebuttable presumption of bad faith.

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<sup>13</sup> Exhibits SMM47 and SM48

77. I note that the applicant has filed no evidence. The only explanation provided for its conduct is contained within its Form TM8:

“Norton MotorCycle Racing is an established entity that prepared, build and races classic Norton Motorcycles (and other marques)

The opponent does not have a registered trade mark that relates to motorcycle racing, indeed does not participate in any motorcycle racing activity.

The opponent claims goodwill, fully aware that Norton Motorcycles has no goodwill, given the controversy regarding misappropriated pension funds, motorcycles undelivered, motorcycles taken for service and stripped for parts and man [sic] other questionable actions. We therefore completely refute that any of our actions impact the claimed “goodwill”.

The opponent claims that we have registered our company and trade mark in bad faith. As stated above, this company prepares, builds and races classic Norton Motorcycles, so this claim is fantastical. Having operated as a private entity we decided, ahead of the 2020 tax year and in anticipation of the EU exit to register as a Limited company.

The opponent relies heavily on assumptive conclusions in their opposition to this trademark application, indeed presents these as factual using statements such as “Plainly Acted Dishonestly”, “Acted in Bad Faith”, “Disruptive Course of Conduct” etc etc

The factual bottom line is:

1. Norton Motorcycle Racing is a going concern
2. The opponent does not have a registered trade mark covering racing activities
3. The opponent does not engage in any motorcycle racing activity
4. The opponent claims purchase of goodwill where none exists

The applicant therefore refutes the opponents claims as unfounded and likely to mislead the Trademark Office.”

78. It seems that the applicant is suggesting that its own interest lies in motorcycle racing rather than the manufacturing and sale of motorbikes. However, the contested mark has been applied for in relation to motorbikes themselves, not services relating

to motorcycle racing. Despite making allegations about the opponent's conduct and the fact that its own business is a going concern, it has provided no evidence to support this. No plausible explanation for the application has been provided. Consequently, I do not consider that there is anything before me to rebut the presumption of bad faith.

79. The opposition based upon section 3(6) of the Act succeeds in its entirety.

## **CONCLUSION**

80. The opposition is successful, and the application is refused.

## **COSTS**

81. The opponent has been successful and is entitled to a contribution towards its costs. The opponent submits:

“The opponent requests its costs in these proceedings. The Opponent requests such costs be awarded off the scale in these proceedings given the unreasonable strategy of the Applicant in using the Opposition as a strategy to incur unnecessary legal costs for the Opponent.”

82. Whilst I have found that the application has been made in bad faith, there is nothing to suggest that the applicant's purpose was to increase legal costs for the opponent. There is nothing in the way that the applicant has conducted these proceedings which leads me to conclude that that was its intention. Consequently, I see no reason to depart from the usual scale.

83. In the circumstances, I award the opponent the sum of **£1,650**, calculated as follows based on the scale in Tribunal Practice Notice 2/2016:

Preparing a statement and considering the applicant's statement	£350
Preparing evidence	£750

Written submissions in lieu	£350
Official fee	£200
<b>Total</b>	<b>£1,650</b>

84. I therefore order Norton Motorcycle Racing Limited to pay The Norton Motorcycle Co. Limited the sum of £1,650. This sum should be paid within 21 days of the expiry of the appeal period or, if there is an appeal, within 21 days of the conclusion of the appeal proceedings.

**Dated this 29<sup>th</sup> day of December 2021**

**S WILSON**  
**For the Registrar**



## **ANNEX**

**UKTM no. 2150309A**

**The First Earlier Mark**

Class 9

Protective clothing, including headgear and footwear; all for use in riding motorcycles.

Class 12

Motorcycles, engines and parts, fittings and accessories therefor.

Class 18

Bags, cases; leather goods, all relating to motorcycling.

Class 25

Clothing, including footwear and headgear; all for use in riding motorcycles.

**UKTM no. 1459204**

**The Second Earlier Mark**

Class 12

Motorcycles and engines for vehicles; parts and fittings for all the aforesaid goods; all included in Class 12.

**EUTM no. 2931798**

**The Third Earlier Mark**

Class 9

Eyeglasses; sunglasses; goggles; protective clothing, protective helmets; motorcycle electrical parts and gauges; namely, radios, speedometers, tachometers, batteries, wiring, cruise controls, switches, breaker points, turn signals, terminals, starters, circuit breakers, thermostats, battery chargers, armatures, voltage regulators; pre-recorded

and blank video tapes and discs, pre-recorded and blank audio tapes and discs, telephones.

### Class 12

Vehicles; motorcycles, motorcycle engines and parts, fittings and accessories for motorcycles.

### Class 25

Clothing, headgear, outer clothing, sweaters, suspenders, scarves, bandannas, jackets, coats, vests, gloves, jeans, chaps, shirts, shorts, caps, hats, headgear for wear, belts, wristbands, coveralls, hosiery, halter tops, neckties, night shirts, nightgowns, pajamas, trousers, pants, rain suits, rain coats, shirts, sweatshirts, sweat pants, tank tops, T-shirts, underwear, head bands, leg warmers, aprons, mittens, lingerie, leather clothing, swimsuits, skirts, bibs; footwear, namely, shoes and boots, and parts of footwear, namely boot tips, sole plates, heel guards.