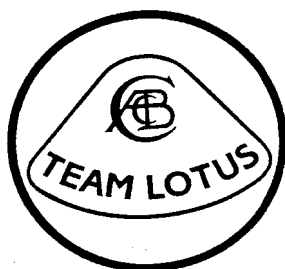


TRADE MARKS ACT 1994

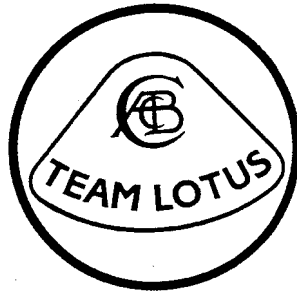
IN THE MATTER OF TRADE MARK APPLICATION m 2011973
BY TEAM LOTUS VENTURES LTD
TO REGISTER THE TRADE MARK



AND

IN THE MATTER OF OPPOSITION
THERE TO UNDER OPPOSITION m 45584
BY GROUP LOTUS LTD.

Team Lotus Ventures Limited applied on 23 February 1995 to register the trade mark:



in Class 35, as follows:

5 'Advertising; updating of advertising material; dissemination of advertising matter; provision and rental of advertising space; direct mail advertising; distribution of samples; marketing research; marketing studies; modelling for advertising or sales promotion; outdoor advertising; public relations; publication of publicity texts; sales promotion; statistical information, and publicity'.

The application is opposed by Group Lotus Limited.

Their grounds of opposition are:

- 10 Ž the mark taken as a whole offends against Sections 5 and 6 of the Act in that the Opponents own trade marks registrations which are exactly the same as the mark applied for except that the applicants have substituted the words TEAM LOTUS for LOTUS; these marks are well known in the UK and use of the mark on any goods or services might be associated with the Opponents;
- 15 Ž the Opponents own copyright in the above trade mark and that use would be prevented by the rule of law, the mark ought to be refused under the provisions of Section 5(4) of the Trade Marks Act 1994;
- Ž that the Applicants are not entitled to pursue the application it should be refused under the grounds of Section 3(6) of the Trade Marks Act 1994.
- 20 The Opponents own a large number of registrations of the trade mark LOTUS in class 12 and others. Relevant examples are as follows:

MARK

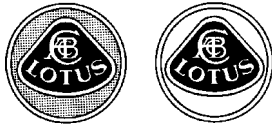
m.

CLASS and GOODS



942133

Land vehicles, and parts thereof included in Class 12.



1563416

Land vehicles, and parts thereof included in Class 12.

No counter statement has been provided by the Applicants and no evidence in reply. The Opponents ask for refusal of the application and for their costs.

- 5 Neither party has requested a hearing; the opponents have accepted that the Registrar should make his decision on the basis of the submitted, written evidence. Acting on the Registrar's behalf and after a careful study of all the papers, I now give this decision.

The Evidence

- 10 The opponents provide a Statutory Declaration from Jon Messent, the Company Secretary of Group Lotus Limited. Mr Messent provides the following historical details.

- 15 He says that the late Colin Chapman founded the company which eventually became Group Lotus Limited. Mr Chapman also founded a company called Team Lotus International Limited who ran a racing team called TEAM LOTUS, which involved the leasing of advertising space on a racing car to various sponsors. In 1994 Team Lotus International Limited, assigned its business to Team Lotus Limited but very soon thereafter went into liquidation.

Mr Messent disputes whether Paintglossy Limited (Team Lotus Ventures Limited, that is the Applicants) is the true successor in title to the business of Team Lotus Limited. He supports this view by stating that his company had an agreement both with Team Lotus International

Limited and its successor Team Lotus Limited. The intention of this agreement was that the public would not be misled into thinking that there remained an association between the two companies and, to this end, Team Lotus International Limited intended to use a much earlier device (if it used a device mark with the words Team Lotus) which would not cause such deception.

Another part of this agreement was that any successor in title should conclude an agreement with his company. This, Mr Messent states, has never been done. He is not aware of the chain of title whereby the Applicants claim to have acquired rights from Team Lotus Limited.

Furthermore, Mr Messent states, it was also agreed between Group Lotus Limited and Team Lotus Limited that they would cease all use of a device mark similar to marks for which the application has been made (the only difference being that the words Team Lotus are substituted by the word Lotus). He concludes that even if Paintglossy Limited contend that they are in some way related to Team Lotus Limited their application is in breach of this agreement.

Mr Messent states that the letters 'ACBC' which appear in the applicants mark, are the initials of late Colin Chapman in monogram form, and that any use by the applicants of the name LOTUS or the ACBC device would be an infringement of the rights which his own company owns in the name LOTUS and device.

Finally, he submits that advertising by way of racing cars and use of motor vehicles are sufficiently closely related that the applicant's registration should be refused because the applicants mark is almost identical to his company's register marks.

As previously stated, the Applicants have submitted no evidence.

The Decision

I wish to deal with the objection under s 5(4)(b) first. This states:

'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)

(b) by virtue of an earlier right other than those referred to in subsections (1) to (3) or paragraph (a) above, in particular by virtue of the law of copyright, design right or registered designs.'

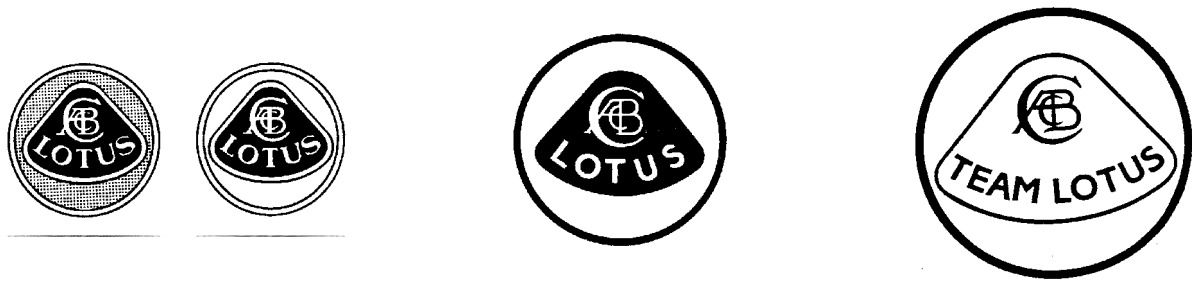
In his evidence, Mr Messent states (paragraph 9) that his company owns the copyright to 'the mark'. I assume he is referring to the marks owned by Group Lotus Limited. As previously stated, the Applicants in this case have not submitted any counter statement or evidence to the Registry. They have, therefore, not questioned this right claimed by the Opponent. Under normal circumstances I would expect to see evidence supporting the assertion by the Opponent that they have copyright for these marks. However, in the exceptional circumstances of this case, in particular the lack of any denials by the Applicants, I think I am

entitled to accept the Opponents' claim. As a result, they are able to take advantage of an 'earlier right' under section 5(4)(b) and the application fails on this ground.

Next I wish to deal with the ground of opposition under s 3(6) of the Act; s 3(6) states:

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

5 The Opponents say they own a number of trade mark registrations which include the word LOTUS in a triangle and circle device which contain the letters ACBC, and that the only difference between these marks and the Applicants' mark is the latter use the words TEAM LOTUS instead of LOTUS. Below are the Opponents' marks displayed above, side by side, with the applicants' mark:



10 Apart from the different words used, as noted, the only other dissimilarity between the marks is the 'filled in' background of the 'rounded triangle' inside the circle with the letters in white for the Opponents' marks, and the opposite for the Applicants' mark. There is a striking degree of similarity between the four of them, so much so that it would be incredible to conclude that the Applicants' produced their mark as the result of coincidence.

15 In view of this, and my finding under s 5(4) that the Opponents have copyright in their design - and in the light of the lack of a denial of bad faith from the Applicant - I conclude that the application is made in bad faith and fails on this ground also.

20 As the application has already failed, I will only briefly consider the remaining ground of opposition.

Turning to the grounds of opposition under ss 5 and 6, I found the presentation of the grounds of opposition here rather unhelpful. The recent advice, from Mr Geoffrey Hobbs in *WILD CHILD*¹, is pertinent:

25 'In the interests of justice and fairness it is plainly necessary for an objection to registration under section 5(4) to be framed in terms which: (i) specify whether the objection is raised under subsection (4)(a) or subsection (4)(b); (ii) identify the matters which are said to justify the conclusion that use of the relevant trade mark in the United Kingdom is liable to be prevented by virtue of an "earlier right" entitled to recognition and protection under the relevant subsection; and (iii) state whether the objection is raised in relation to all or only

¹*WILD CHILD Trade Mark* [1998] RPC 14, page 459.

some (and, if so, which) of the goods or services specified in the registration or application for registration of the relevant trade mark.’

Obviously this is a reference to s 5(4), but in my view it is good practice to follow this advice when referring to other sections in the Act cited in opposition proceedings.

- 5 Section 5 of the Act provides protection for ‘earlier marks’ (defined in section 6) by prescribing relative grounds for the refusal of the registration of marks that might invade this protection. The marks under consideration, as discussed above, are strikingly similar but not identical. This excludes ss 5(1) and 5(2)(a) from this ground of opposition as they are concerned with identical marks.
- 10 In order to succeed under s 5(2)(b), the Opponent must establish that land vehicles are similar to advertising services. Following the Judgment of the Court of Justice of the European Communities in CANON v MGM², the reputation and/or distinctiveness acquired by the Opponents’ mark must be taken into account in determining whether the goods and services are similar. Similarly, in order to succeed under s 5(3) the Opponent must establish that its
- 15 earlier trade mark has a reputation. Having carefully considered all the evidence filed in these proceedings, I do not believe that there is sufficient evidence before me to enable me to reach a decision in relation to either of these grounds under s 5. I therefore decline to make a decision.

20 The Opponents’, having been successful in these proceedings, are entitled to a contribution towards the costs of opposing the application. I therefore order Applicant to pay to the Opponent the sum of £500.0

Dated this 23rd day of October 1998

Dr W J Trott
Principal Hearing Officer
25 **For the Registrar, the Comptroller-General**

²CANON v MGM (Formerly Pathé Communications) 29 September 1998(1), Case C-39/97.