TRADE MARKS ACT 1938 (AS AMENDED) AND
TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO 1453129
BY JCB CO. LTD TO REGISTER A MARK IN CLASS 16

AND

IN THE MATTER OF OPPOSITION THERETO UNDER NO 38210
BY J C BAMFORD EXCAVATORS LIMITED

TRADE MARKS ACT 1938 (AS AMENDED) AND TRADE MARKS ACT 1994

IN THE MATTER OF Application No 1453129 by JCB Co. Ltd to register a mark in Class 16

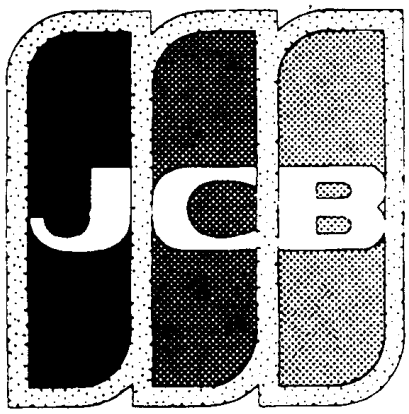
and

IN THE MATTER OF Opposition thereto under No 38210 by J C Bamford Excavators Limited

DECISION

On 16 January 1991 JCB Co Ltd of Tokyo applied under Section 17(1) of the Trade Marks Act 1938 to register the mark shown below for a specification of goods which reads:

> "printed matter, printed publications, books, magazines, periodicals, newspapers, printed forms for recording transactions; all relating to banking, financial services and credit cards and all included in Class 16."



The application is numbered 1453129.

On 6 January 1994 J. C. Bamford Excavators Ltd filed notice of opposition to this application. In summary the grounds are as follows:

i under Section 11 by virtue of the use of and reputation in the marks JCB and JCB (logo) by the opponents and the parent company JCB Service

ii under Section 17 in that the applicants cannot claim to be the proprietors of the mark

iii under Section 68 in that the intended use is not use as a trade mark.

The opponents also ask the Registrar to refuse the application in the exercise of his discretion.

The applicants filed a counterstatement containing a number of comments on the individual grounds but in essence denying the claims made. They also say that they are entitled to registration under Section 12(2) by reason of honest concurrent use and other special circumstances.

Both sides filed evidence and the matter came to be heard on 31 March 1999 when the applicants were represented by Mr D Turner of Beresford & Co, Trade Mark Attorneys and the opponents by Ms C Birss of Counsel instructed by Forrester Ketley, Trade Mark Attorneys.

By the time this matter came to be heard, the Trade Marks Act 1938 had been repealed in accordance with Section 106(2) and Schedule 5 of the Trade Marks Act 1994. In accordance with the transitional provisions set out in Schedule 3 to that Act however, I must continue to apply the relevant provisions of the old law to these proceedings. Accordingly, all references in the later parts of this decision are references to the provisions of the old law.

Opponents' evidence

The opponents filed a Statutory Declaration by Steven Ernest Robert Ovens, their Company Secretary, a position he has held since 1988.

Mr Ovens says that the opponents are the owners of a substantial number of trade mark registrations and applications as exhibited in SER1 relating to their core business of excavators, loaders and the like.

He says that the letters JCB were first used in the United Kingdom in 1945 by J C Bamford Excavators Limited and have been used substantially since then both in the United Kingdom and abroad by the opponents, and by related companies of the JCB Group of Companies. For example, in the years ended December 1993 and 1994 the turnover of the companies of the JCB Group was about £400 million and £564 million respectively. He exhibits (SER2) the JCB Group business review 1993 to 1994, which indicates the level at which the opponents trade in the United Kingdom and abroad.

He also exhibits

SER3 - books of press cuttings as an indication of the extent of the opponents' activities and reputation

SER4 - examples of promotional literature used

SER5 - examples of the in-house magazine TALKBACK which was first published in 1972.

The parent company, JCB Service, also runs a merchandising business through which various items are sold either at the Head Office premises or through distributors and at shows and exhibitions. He exhibits (SER6) a pamphlet used in this part of the business and showing goods from a variety of classes.

Mr Ovens submits that the name JCB is widely associated in the trade and amongst the general public with the J C Bamford Group and that any printed publication, book, magazine, periodical, newspaper or printed form for recording transactions may well be associated with the opponents and not the applicants. He concludes his evidence as follows:

> "The Opponent has an interest in a joint owned company called JCB Credit Limited which uses the JCB logo in association with financial and insurance services. These services are sold primarily to employees, distributors and customers of JCB products. JCB Credit Limited was established in 1970 and has continuously been trading ever since. The approximate annual turnover for JCB Credit Limited is in the order of £175 million. JCB Credit Limited sell their services and financial products to customers throughout the UK, and at least in the towns and cities indicated on pages 88-97 of "JCB Worldwide 1995" which is now produced and shown to me marked exhibit SER7. Now produced and shown to me marked exhibit SER8 are examples of promotional literature and items, advertisements and business stationery used in the conduct of JCB Credit Limited's business over the past 20 years.
>
> I am aware of the existence of the JCB Bank. According to my knowledge, the Bank promotes in the UK a credit card that has little recognition by the general public. Particularly I am not aware that the JCB Bank sell any products which are included in the specification of goods in their trade mark application the subject of this opposition."

Applicants' evidence

The applicants filed a Statutory Declaration by Masaaki Ikeuchi, the President of JCB Co Ltd.

He says that his company was established in 1961 and has had the support of many of Japan's leading financial institutions. It has grown to be the largest credit card company in Japan with over 34.9 million of the 220 million cards issued by the six leading Japanese bank card, travel and entertainment card companies. In Japan, 69 major commercial banks are franchisees for the company's card. Applications for the cards come from over 30,000 branches operated by 3,000 financial institutions. In 1981 the company expanded its international network to offer its cardholders a worldwide service, recruiting 30,000 overseas associates. On an international scale, the company is said to be the fourth largest in terms of cardholders. Between 1981 and 1996 it set up a network of 1.23 million members' shops for service establishments in over 160 countries and is constantly expanding this network.

The mark was first used in the United Kingdom in January 1982. In that year the company appointed its first associates (shops, hotels, or other businesses where the card is accepted) in the United Kingdom. It now has more than 135,000 associates located throughout the United Kingdom.

Turnover of the services under the mark over the eight years prior to the filing date of the UK application is said to be as follows:

	£
1983	115,000.00
1984	361,000.00
1985	679,000.00
1986	1,342,000.00
1987	2,483,000.00
1988	4,666,000.00
1989	7,763,000.00
1990	9,028,000.00

Approximately £300,000 has been spent on advertising services in the United Kingdom under the mark since it was first introduced.

In support of this Mr Ikeuchi exhibits

- MI/1 - samples of in-house magazines containing articles concerning use of the mark in the United Kingdom
- MI/2 - samples of promotional material supplied to cardholders
- MI/3 - press articles on activity in this country
- MI/4 - a booklet listing some of the places where the card is accepted
- MI/5 - a sample of the card itself along with a cardholder application form.

That completes my review of the evidence.

Mr Birss's submissions at the hearing concentrated primarily on the objection based on Section 11 and to a lesser extent that under Section 68. The Section 17 claim that the applicants could not claim to be the proprietors of the mark was not pursued. There is nothing in the evidence

bearing on this claim and the applicants have explained the basis for their adoption of the mark (the letters JCB being derived from the name Japan Credit Bureau). I, therefore, dismiss this latter ground of objection.

Of the remaining grounds it will be convenient to deal with Section 68 first. The Section insofar as relevant reads as follows:

> " "trade mark" means, except in relation to a certification trade mark, a mark used or proposed to be used in relation to goods for the purpose of indicating, or so as to indicate, a connection in the course of trade between the goods and some person having the right either as proprietor or as registered user to use the mark, whether with or without any indication of the identity of that person, ..."

The opponents say in their statement of grounds that the applicants' intended use is not use as a trade mark in accordance with the above Section. Mr Ovens expands on this in his evidence by saying "I am not aware that the JCB Bank sell any products which are included in the specification of goods in their trade mark application". It seems to me that the question of whether there is a trade in Class 16 goods is an issue for both parties.

The evidence shows that the opponents offer credit and financing packages to customers purchasing their excavators and other machines along with insurance and related services. The applicants for their part have established that they have a substantial trade worldwide in credit card services and related activities. I understand that they have a registration for such services in this country. The size of their business in this country is rather more difficult to gauge because I am not entirely clear whether the turnover figures quoted refer to the value of underlying transactions made using their cards or the commission or other revenue streams earned by the applicants from their merchant network. If the former is the case then as Mr Birss pointed out the sums are modest in the context of such operations. However that is not a point on which I need to dwell for present purposes.

As might be expected both sides have filed a range of material relating to the services described above. In the opponents' case this material consists of advertising and promotional leaflets, transaction forms, application forms, draft hire purchase agreements etc in support of their Section 11 objection. The applicants have filed the material in Exhibits MI/1 to 5. The difficulty I have with this material is that on the face of it it seems to be produced as an adjunct to the underlying services rather than being evidence of a trade in printed matter or other Class 16 goods. However Mr Turner, for the applicants, referred me to the VISA Trade Mark case 1985 RPC 323 in support of his client's position. In some respects this case appears to provide a direct and helpful (to the applicants) parallel to the case before me. The bare facts were that the applicants Visa International Service Association applied to register the mark VISA in respect of travellers' cheques and a device mark for printed bank cards. The marks were used in the applicants' well known financial services business which was said to include credit cards, travellers' cheques, cash disbursement and cheque guarantee services etc. In the Registry registration was refused on the ground that the applicants and their member banks were not trading in the cheques and cards for their own sake but as an integral part of their

financial services. Accordingly it was said the marks were not used to indicate a connection in the course of trade. On appeal Mr Justice Whitford took a different view of the matter. The headnotes summarise his findings as follows:

> "(1) Given that the cards and cheques were goods, the relevant question was "Does the applicant trade in the goods?" The fact that he traded in them as part of a service was irrelevant.
>
> (2) The applicants' cheques and cards were not adjuncts, ancillary to the services; they were essential articles."

More specifically after considering the ARISTOC v RYSTA (1945 RPC 65), BANKAMERICARD (1997 FSR 7) and GOLDEN PAGES (1988 FSR 27) cases he said:

> "The evidence before me establishes that the applicants provide members of the Association, principally banks, with a service which enables the members to offer their customers facilities for securing cash or credit internationally by the use of cheques or credit cards. The banks buy supplies of cheques and credit cards (the goods) bearing the trade marks from the Association. The Association of course exercises very close control over the production of the goods, the cheques and credit cards.
>
> The banks (who I should add it is proposed will become registered users of the marks if the marks are registered) sell the cheques at their face value plus a small surcharge to their customers. The cards are supplied to customers by the banks on payment of a joining fee and an annual subscription.
>
> Accepting that the provision of a service is compatible with the use of a mark as a trade mark in connection with goods associated with that service, Mr Egan appears to consider that registrability may depend on the extent of interdependence between these activities. The relevant question must I think be: "Does this applicant trade in these goods?". If he does and there is no other bar, he ought to be entitled to the protection of registration both in his own interest and the interest of the public. The fact that he trades in the goods as part of a service is, in my judgment, wholly irrelevant."

and

> "In my view, they are both trading in goods and supplying a service. Without the goods, cheques and cards, twice bought and sold, the service is useless. Without the service, the goods are pointless. Cheques and cards are not ancillary to the services; they are not adjuncts, they are essential articles."

The applicants here are of course rivals in trade to Visa International Service Association and it might, therefore be thought that the VISA case will provide a template for consideration of the issue before me. However, in practice, there are a number of important distinctions to be drawn. In particular the applicants have applied for a wider range of goods and the goods at issue are different in kind from those at issue in VISA. I do not regard the specification before me as covering credit cards as such. If the normal meaning of words is pushed to the limit it is

just conceivable that the term ‹printed matter' could cover credit cards that have words and numbers printed on them. But such an interpretation makes little sense and would be tautologous given the restriction "all relating to banking, financial services and credit cards". On the other hand the specification applied for is apt to describe the promotional material, magazines and forms referred to in the evidence and exhibits. But is there a trade in such items? Whilst the VISA case provides useful guidance on the factors to consider I must consider this case on its particular facts.

By way of general comment I should say that I acknowledge there is nothing in the terms used in the applicants' specification which inherently calls into question whether there will or will not be a trade in the goods. This case is not comparable in nature to DEE Corporation and the issues that arose in the context of the term ‹retail services'. For that reason the Registry would not normally question an applicants' intention in relation to these Class 16 goods during the course of the examination process. However when an opposition is based in part at least on such a ground then there is an onus on an applicant to respond either by reference to his existing trading activity (if he has any) or to his intended trading plans. The applicants here say nothing about future trading activities so I can only base my consideration on what is apparent on the face of the evidence relating to their established business.

In the counterstatement it is said on the applicants' behalf that "the use which has been made of the mark sought to be registered includes use in relation to the goods for which the mark is sought to be registered". However Mr Ikeuchi's declaration concentrates entirely on his company's services and I can see nothing that has a direct bearing on a trade in goods. The turnover figures (leaving aside for a moment my previously expressed reservations) are said to relate specifically to services. The exhibits, listed as MI/1 to 5 above, are simply examples of the various forms of promotional material that traditionally accompany credit card services and/or information supplied to cardholders. This is not to say that a case could not in principle be made out that there is a trade in some of these items (and I deal below with one such claim) but, I am simply unable to conclude that the applicants' evidence answers the opponents' challenge. It will be noted, for instance, from the above extract from the VISA case that there was evidence before the Registry and the Court that the customer banks bought supplies of cheques and credit cards and subsequently sold the cheques on to their own customers or supplied cards on payment of a joining fee and an annual subscription. I do not have evidence of a comparable nature before me.

There is, however, one possible exception which I need to deal with. In answer to my question at the hearing Mr Turner said that he had been told by his clients that the magazines at exhibit MI/1 were sometimes distributed free but on other occasions were charged for. The magazine in question is the JCB World Report. It seems to be in the nature of an occasional publication for, I assume, cardholders and the merchanting establishments (banks etc) who act as franchisees for the company's credit cards. If this is indeed the case the matter should have been addressed and corroborated in the evidence. As matters stand the publication is described by Mr Ikeuchi as an ‹in-house magazine'. There is no indication on the face of the sample magazines that they are charged for and it seems to me to be very much the sort of publicity/information material that financial service providers are wont to give their customers as a by-product of the services on offer. I am not prepared to accept that there is a trade in such a publication in any meaningful sense in the absence of corroborative evidence. The

applicants therefore fail to bring themselves within the definition of a trade mark contained in Section 68. That Section is of course an interpretation Section but the consequence is that the application must be refused under Section 17 of the Act.

In dealing with the Section 68 objection I referred briefly to the nature of the evidence submitted by the opponents. Their position is not dissimilar to the applicants in that they have established that they have for some time been offering credit and finance services in support of their core activity of selling excavators and such like equipment. In common with most trading companies they produce promotional literature and assorted paperwork but, like the applicants, they have failed to establish that this material is other than an adjunct to their finance packages. In these circumstances I do not think I can sensibly consider the opponents' Section 11 objection and the applicants' counterclaim that they are entitled to registration under the provisions of Section 12(2) on the basis of honest concurrent use. However, in case I am found to be wrong in finding against the applicants under Section 68, my views in summary are as follows:-

- the appropriate test is the well established one set down in Smith Hayden & Company Ltd's Application (1946 RPC 101) later adapted by Lord Upjohn in the BALI Trade Mark case 1969 RPC 496

- the applicants' mark is set out above. The opponents' mark is the letters JCB set in a line border in the form of a trapezium with rounded corners. The applicants' device is the stronger but both marks are likely to be referred to and known as JCB marks

- the opponents have established use in relation to services. There is not an overwhelmingly strong link with Class 16 goods. However even if it is assumed that the opponents' use on promotional material, forms etc is sufficient to establish a likelihood of confusion within the meaning of the BALI test there is still the Section 12(2) position to consider

- it is well established that Section 12(2) can be used to overcome a Section 11 objection - see Spillers Ltd's Application 1952 RPC 37 and Chelsea Man Trade Mark 1989 RPC 111

- the main matters for consideration under Section 12(2) were laid down by Lord Tomlin in the PIRIE case 1933 RPC 147

- the applicants' use, notwithstanding my reservations about the meaning of the turnover figures, has been of some duration and in my view has been honest. No instances of confusion have been brought to my attention. I do not think this is altogether surprising in that the businesses in which the respective marks are used are in practice well separated. In particular the opponents' use is of an in-house nature being closely tied to the sale of their own equipment and machinery. The applicants' use is primarily through banks who are members of their merchanting network. This is, therefore, a case where the respective commercial trading patterns are likely to significantly reduce any risk of confusion that might theoretically exist.

If, therefore, I am found to be wrong in relation to Section 68 I take the view that the applicants would be entitled to registration under the provisions of Section 12(2).

As the opposition has been successful the opponents are entitled to a contribution towards their costs. I order the applicants to pay the opponents the sum of £635.

Dated this 22 day of April 1999

M REYNOLDS
For the Registrar
the Comptroller General