

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATION 2023844
BY ROVER GROUP LIMITED
TO REGISTER THE TRADE MARK

DSE

AND

IN THE MATTER OF OPPOSITION BY
BY THE FORD MOTOR COMPANY
THERE TO UNDER OPPOSITION 46029

DECISION

The Rover Group Limited, Warwick Technology Park, Warwick, CV34 6RG, applied on 14 July 1995 to register the above mark. The specified goods are:

5 Class 12: 'Motor land vehicles and their engines; parts, components and accessories for all the aforesaid goods; shaped covers for steering wheels, vehicle seats, spare wheels, and for land vehicles; shaped or fitted mats and floor coverings for motor land vehicles; pumps for inflating vehicle tyres; sun blinds, roof racks, luggage carriers and nets, cycle carriers, sail board carriers, ski carriers, and snow chains, all for land vehicles.'

10 The application is opposed by the Ford Motor Company based on the following sections of the Trade Marks Act 1994. Registration of the mark DSE is liable to be prevented, under:

s 5(4)(a) by the common law rights of the Opponents as they have used the mark in the UK since 1992 in relation to its motor land vehicles and parts and fittings;

S 3(6) as the application was filed in bad faith.

15 A counter statement is provided by the Applicants denying the grounds of opposition, and both parties ask for their costs. No hearing was requested and the following decision is based on the pleadings and evidence submitted.

The Evidence

20 First declaration comes from John Alfred Caisley. Mr Caisley is from Grant Spencer Caisley and Porteous and represents the Ford Motor Company Limited in these proceedings. He says that he understands the Opponents have been using the letters DSE as a trade mark in relation to vehicles and parts for vehicles since 1992. He adds that the trade mark DSE has been registered as a trade mark by the Ford Motor Company in several European countries, namely, Benelux, France, Italy, Portugal and Spain. Mr Caisley refers me to exhibit JAC1 which contains a copy of a brochure from 1995 relating to a range of cars. (Also included are photocopies of pages from other brochures from 1996 to 1997. However, these latter documents are after the relevant date).

30 The 1995 brochure refers to the Fiesta, Escort, Mondeo and Scorpio cars and on page 6 mentions the acronym DSE which stands for 'Dynamic Safety Engineering' and is described as a programme evolved to mirror the real life situations, in the testing and development of safety features for Ford cars.

35 Another Statutory Declaration is included from the Opponents, from Robert William Drakeford, who is a Chartered Patent Agent, and has been employed by Ford for 20 years. He says he is assigned to the post of Intellectual Property Counsel, Ford Europe, in which position he is responsible for all his Company's trade mark matters.

Mr Drakeford confirms Mr Caisley's understanding as described above and refers in evidence to the same brochures. He also includes in evidence (Exhibit RWD3) a bundle consisting of photocopies of a selection of brochures relating to cars, produced by his company in the period 1993 to 1995, showing further use of the later DSE mark.

5 The Applicants' Statutory Declaration is from Phillip John Cooper, who is described as Head of Trade Marks at the Rover Group Limited. He says that he has been employed in this capacity for the last 5½ years. Mr Cooper explains that Rover has two principle divisions, namely its passenger and sports car division, which manufactures and sells Rover, Mini and MG automobiles, and its Land Rover division which manufactures and sells four-wheel drive
10 motor land vehicles under the Land Rover name. He refers to evidence showing the development and history of Land Rover vehicles and specifically mentions the Range Rover, which is sold in the UK for a retail price of between approximately £36,000 and £50,000 each.

Mr Coopers says that in September 1994 Land Rover launched a new range of Rover vehicles, or which there were 5 basic versions, badged as: 2.5 DT, 2.5 DSE, 4 Litre, 4 Litre SE and 4.6
15 HSE. Again he refers to exhibits containing specific information on these specifications of cars. Mr Cooper explains that the nomenclature referred to above was chosen simply to reflect an appropriate hierarchy across the range according to the engine and trim level of each vehicle, for example the 2.5 DSE indicates a higher trim specification than the 2.5 DT version, while the 4.6 HSE is a higher trim level and a larger engine than the 4.0 SE version. He says:
20 '...accordingly the name DSE was independently coined by Rover Group so far as I am aware and without any knowledge of the use of the initials DSE by the opponents Ford Motor Company Limited'. Mr Cooper refers to exhibit PJC5, a copy of page 212 taken from the June 1998 issue of Parker's Price Guide giving details of the new Range Rover vehicle range, which shows that the term DSE was used for Range Rover Estates from September 1994.

25 Mr Cooper states that this hierarchical system of badging is common within the automobile industry as a means of indicating engine trim level and he includes in evidence further ways in which this is done for Ford, Vauxhall, Citroen and Susuki motor vehicles.

Also included in evidence is the number of vehicles sold under the trade in the United Kingdom for the following years:-

30	Year	Number of vehicles
	1994	18
	1995	1,064
	1996	1,882
	1997	2,115
35	1998 to the end of May 1998	907

Mr Cooper includes in evidence details of Land Rover dealers throughout the UK which have sold the above vehicles. He says that the total value of sales is £370 million, based on the UK road price and the total of the UK home and export sales.

Mr Cooper also refers to advertising which has taken place in the UK and says that such promotion has appeared in the Times, The Daily Telegraph, The Guardian, The Glasgow Herald, The Independent On Sunday, The Sunday Telegraph, The Sunday Times and Financial Times. Some examples of such advertising is produced and shown in evidence. He adds that
5 between the years 1995 to 1997 inclusive Rover's expenditure on such media advertising amount to £2,184,400 and says that it is a significant sum for the type of vehicle concerned since Range Rover vehicles are expensive luxury automobiles, purchased after careful enquiry by discerning customers, and has few competitors.

Mr Cooper says that further promotion takes place at various exhibitions such as the UK
10 Motor Show at the NEC, Birmingham as well as by other Land Rover dealers across the United Kingdom. He also refers, in evidence, to various publications and other literature which is apparently distributed to potential customers. He adds that the fame and success of Range Rover vehicles and the luxury image means that much promotion comes by word of mouth. Further, vehicles on the road may act as their own advertisement.

Mr Cooper then refers to an on-line search conducted under the key word DSE on the 21 May
15 1998 using the Reuters business briefing electronic computer database. Apparently this database contains new articles and editorials from over 400 United Kingdom publications. The result of the search, which covers the period from 1 September 1994 to 21 May 1998, is shown in evidence as exhibit PJC10 (some articles from overseas are included). Mr Cooper
20 states:

‘..out of a total of 26 items produced ...19 are from UK publications, and of these 10 refer to the said vehicles under the said trade mark.....Other than these 10 and 2 items from New Zealand publications also referring to the said vehicles under the said trade mark all of the other items, that is 9 UK and 5 overseas items out of the total 26 referred to unrelated uses
25 of the initials DSE. Interestingly none of the 26 items produced by the said search referred to the use of the initials DSE by the opponents, Ford Motor Company Ltd, I also cannot remember hearing of the initials DSE of the Ford Motor Company Ltd prior to their allegation of such use .

Mr Cooper finishes his declaration by saying that he believes that the trade mark is distinctive
30 of Rover Groups vehicles and that use by Rover Group of the trade mark in relation to the vehicles is not likely to be confused with the limited use of the initials DSC as may have been made by the opponents Ford Motor Company Ltd.

The Decision

The Opponents plead two grounds, as shown on page 1. I would like to consider the bad faith
35 issue first. S 3(6) states:

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

The Act does not indicate what is meant by ‘bad faith’ and it must therefore be for the Registrar or the Court to decide in a particular case what this amounts to. The Opponents refer to s 32(3), which merely sets out a requirement which applicants for trade mark

registration must comply with when they seek to register a mark. Though a lack of intention to use a mark may be grounds under s 3(6), this must be proved and no evidence has been provided by the Opponents which does so. The Applicants' evidence indicates the opposite. This ground therefore fails.

5 The other ground pleaded by the Opponents is under s 5(4)(a), where they say registration will be precluded by the common law rights of they have in the mark in the UK from 1992 onwards in relation to motor land vehicles and parts and fittings. S 5(4)(a) states:

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

10 (a) by virtue of any rule of law (in particular, the law of passing off) protecting a unregistered trade mark or other sign used in the course of trade.'

To succeed in a passing off action, it is necessary for the Applicants to establish that at the relevant date (14 July 1995): (i) they had acquired goodwill under their mark, (ii) that use of the mark would amount to a misrepresentation likely to lead to confusion as to the origin of
15 their goods; and (iii) that such confusion is likely to cause real damage to their goodwill.¹

The Opponents use of the mark DSE consists of references in brochures enclosed in Exhibits JAC1 and RWD2. Typical examples are as follows (ignoring those produced after the relevant date). In Exhibit RWD2:

20 A photocopy of a document entitled '1995 Edition One' referring to 'Fiesta -Escort - Mondeo - Scorpio', and dated March 1995. This includes the text:

'Testing passenger cars to prove how well occupants might survive a crash seems simple: set the car to crash into a solid object and see what happens. But real crashes occur in different ways at different speeds to all sorts of different people. Aware of the shortcomings of traditional testing methods Ford's Dynamic Safety Engineering programme has evolved
25 to mirror real life situations as much as possible. Utilising state-of-the art testing equipment and highly sophisticated crash dummies, incidentally a typical dummy costs in the region of £75,000, the DSE programme runs comprehensive testing on all aspects of occupant safety and uses the resulting data and analysis in the development of their safety features.'

In Exhibit RWD3:

30 (1) Another photocopy, with no clearly decipherable page numbers, which appears to be an extract from a February to May 1993 'Mondeo' brochure, makes the following reference, twice: 'Ask your Ford Dealer for the Mondeo Dynamic Safety Engineering (DSE) brochure'.

¹A fuller summary of the position can be found in WILD CHILD [1998] RPC 455, page 460ff.

(2) A further poor photocopy, again with no decipherable page numbers, which appears to be an extract October 1993 'Commercials' brochure, makes the following references:

'..Ford's Dynamic Safety Engineering has further improved its commercial vehicle range with measures to enhance safety, security and customer satisfaction.' and

5 'Ford's Dynamic Safety Engineering already provides Escort Van users with the benefits of a vehicle range that has reinforced structural sections..'

(3) An 'RS Edition Two' October 1993, which again, mentions DSE and states:

10 'Manufacturing cars that combine performance with safety has always been a crucial element in the thinking of Ford's engineers and designers. Innovative ideas and new materials resulting from Ford's Dynamic Safety Engineering are incorporated into Ford's RS cars once they have satisfied the rigorous tests undertaken at Ford's twin Research and Development establishments at Dunton in England and Merkenich in Germany. This distinctive and meticulous approach has enabled Ford to introduce many safely features that
15 have become benchmarks within the automotive manufacturing industry and ensures that the safety of Ford drivers and passengers, remains a top priority.'

(4) Similar documents appear dated February 1994, March 1994, February 1995 and March 1995.

20 An original brochure for Ford Fiesta, Escort, Mondeo and Scorpio cars is included in JAC1, dated March 1995.

Many of these documents carry the following sign:



I feel I am struggling on this evidence to conclude that Ford have used the above mark as a trade mark at all, that is, as a sign indicating the origin of their products. Rather it is used more as an acronym for a particular programme concerned with safety that is a feature of the development of their cars. Acronyms abound in the brochures enclosed: SRS (Supplementary Restraint System), EGR (Exhaust Gas Recirculation) and ADS (Adaptive Damping System). Also, in JAC1 (pages 6 and 7), the DSE device mark shown above heads-up a series of other attributes which describe characteristics of Ford cars and are certainly not trade marks. Examples are:



The above features are associated with many cars and consumers would tend, in my view, to take this procedure whereby Ford design safety into their vehicles as simply another of these features, or the means by which these features are developed. And this tends to make the DSE mark less distinctive of Ford's goods. This conviction is further strengthened because in the material Ford have enclosed in evidence DSE it is always defined as Dynamic Safety Engineering.

There is no doubt that Ford have considerable goodwill under the names of the cars they sold at the time this application was made (Fiesta, Escort, Mondeo and Scorpio). However, to conclude that consumers would rely on DSE as an indicator of a trade source in a similar way requires² more evidence than that produced above. Such evidence might take the form of actual confusion in the market place as both parties have evidently used DSE side by side for some years. However, this evidence has not been produced.

Even if I am wrong in this and a significant proportion of the public do understand that DSE is indicative of Ford cars it is hard to accept that their potential customers would confuse a methodology that is intended to design safety into motor vehicles and a trim level of particular Rover vehicles and their components. There seems to me very little likelihood of operative misrepresentation leading to the damage required under passing off. Cars are not cheap items; after buying and running a home such items are most likely to be the greatest expenditure the vast majority of consumers will make. Such decisions are not undertaken lightly and the possibility of confusion seems to me somewhat remote. It has been said that the '...vice of a passing off action is that the Defendant has so got up his goods as deceptively to resemble the goods of the plaintiff'³ All I have said thus far suggests that Rover have not done this and there is no evidence before me to indicate they have. Thus this ground also fails and the Opposition is therefore unsuccessful.

²See *Reckitt & Colman Products Ltd., v Borden Inc and others* [1990] RPC 13, 341.

³ See Note 2 p354, ln. 31.

The Applicants having been successful in these proceedings, are entitled to a contribution towards their costs. I therefore order the Opponents to pay them the sum of £435.00

Dated this 20th day of July 1999

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