

TRADE MARKS ACT 1994

**IN THE MATTER OF trade mark
application No. 2240731 in the name of
Andrew Charles Freeman**

and

**Opposition thereto No. 51838 by
European Battery Company Limited**

BACKGROUND

1. The details of trade mark application No. 2240731 are as follows:

Mark: EBC

Class 1: Brake fluid; clutch fluid.

Class 7: Parts and fittings included in Class 7 for motorcycles and motor land vehicles; parts and fittings included in Class 7 for engines for motor cycles and motor land vehicles.

Class 9: Electrical and electronic parts and fittings for motorcycles and motor land vehicles; protective helmets; protective clothing; protective footwear; batteries.

Class 12: Parts and fittings included in Class 12 for motorcycles and motor land vehicles; parts and fittings included in Class 12 for engines for motorcycles and motor land vehicles.

The application was received on 27th July 2000, and published for opposition purposes.

2. On 12th December 2000, European Battery Company Limited (the opponents) filed notice of opposition together with a statement of grounds. The grounds of opposition are under ss. 1(1), 3(1)(a), 3(1)(b), 3(3)(b), 3(6) and 5(4)(a). The matter proceeded through the statutory evidence rounds, at the conclusion of which the Hearing Officer notified the parties that they had a right to be heard, but he did not consider an oral hearing was necessary for a decision to be reached in this case. Neither party wished to be so heard, instead, making written submissions, which are summarised below.

EVIDENCE

The Opponents' evidence in chief

3. This can be set out as follows:

Robert Ralston Fulton Owens	Director of the Opponents	Statutory Declaration dated 16 th July 2001 describing the establishment of European Battery Company Limited, and subsequent events
Timothy Mark Gregory	Opponents' agent	Statutory Declaration dated 18 th September 2000: submissions on registrability of the mark
Various Witness Statements from the industry:		
Davy Levine	MD of Hi-Level;	
Trevor Paul Thomas	Owner TT Autos;	
Dean William Marlow	MD Batteries Direct;	
John Bilton	Director Capitol Batteries Ltd;	
Alan Gray	Director Manbat Limited;	
Cyril Paul Betts	Owner Powertron Batteries.	

Declaration of Mr. Owens

4. Mr. Owens, as well as being a Director of the opponents', is also a Director of their sister company, EBC Battery Limited. Exhibit RRF01 comprises copies of certificates of incorporation of both companies showing their dates of incorporation as 29th November 1999. Apparently, the opponents intention was to supply batteries for vehicles (mostly motorcycles) in continental Europe, whilst the sister company supplied the UK market. Mr. Owens says that the acronym EBC is apt to be used as an abbreviation for both companies, and was envisaged as both a trading style and trade mark.
5. It seems that preparations for trading began in the winter of 1999 - 2000, which included, *inter alia*, arranging the supply of suitable batteries, design of a corporate identity, labelling, packaging and the acquisition of a first major customer in the UK. Exhibit RRF02 is copy of a facsimile letter from Yacht Battery Co Limited of Taipei, dated 15th February 2000, concluding negotiations for supply of batteries.
6. Exhibit RRF03 is a collection of documents from a design company, Marker and Mouse, and concerns the design of packaging for use with the batteries. The documents show that initial design work was completed on 27th January 2000, whilst final layouts were completed on 21st February 2000. The design company invoiced the opponents on 31st March 2000 with the

final designs supplied on disc for forwarding to the battery suppliers. Exhibit RRF04 is a sample of one of the boxes in which the batteries were supplied.

7. Exhibit RRF05 is a copy of another fax from Yacht Battery Co Ltd, dated 12th June 2000, consisting of an invoice for shipments of batteries then in transit. The batteries are referred to on the invoice as being supplied under the EBC brand. The shipment contained 23,772 batteries, of 82 models, at a total cost of \$184,812.24.
8. A company called Hi-Level Enterprises Ltd ('Hi-Level') of Doncaster were the purchasers of this whole shipment. Hi-Level are wholesalers of batteries for motorcycles and specialist vehicles in the UK. Exhibit RRF06 are copies of 5 invoices from the opponents to Hi-Level; the first invoice, for a container load, is dated 3rd July 2000, and the other invoices are dated throughout the month of July 2000 for subsequent containers. The total value of the invoices is £150,562.84. The rest of Mr Owen's evidence goes to communications between solicitors acting for the applicant and Hi-Level, as well as the opponents. Mr. Owens explains that he feels very concerned that his business is being threatened by a potentially damaging dispute which may end up with him having to withdraw all batteries in the supply with the EBC brand. He finally says that he has encountered the applicant selling brake parts under the trade name 'EBC Brakes', but that is all.

Timothy Mark Gregory: Declaration

9. Mr. Gregory is the proprietor of the trade mark agent firm T. M Gregory & Co, who represent the opponents. His evidence goes to the registrability of the application. He says that, although registrable in the *prima facie* case, the mark lacks factual distinctiveness. Exhibit TMG 1 are printouts from Companies House website showing the details of other companies which use the letters EBC in their names and are engaged in the supply of batteries or car spares. Other evidence from the UK and OHIM registers shows the letters ABC in marks which predate the application and are for specifications including batteries or closely related goods.
10. Exhibit TMG2 comprises copies of pages from the Freeman Automotive (UK) Ltd's (a company associated with the applicant) catalogues between 1990 and 2001. The catalogues show EBC being used in relation to brake parts and clutch components. In most cases the letters EBC are used alongside descriptors, usually 'Brakes', in smaller letters. Exhibit TMG3 shows a catalogue of a company called European Brake Corporation of the Netherlands which traded under the name EBC in bike parts. The catalogue is a 1991 catalogue and is in English. Mr Gregory presumes it was used in the UK.
11. The applicant is the proprietor of registration No. 1199861, registered in 1983 under the 1938 Act, for brakes for use with motorcycles and cars. It was registered on grounds of distinctiveness acquired through use. Mr Gregory says that factual distinctiveness has not been acquired by the applicant in respect of the application in suit, as any factual distinctiveness accrued to their earlier registration was only in respect of brakes. In accordance with PAC 7/00 of 3rd May, and given that there has been no use of the application in relation to the goods specified, no factual distinctiveness could be said to accrue to the application.

12. He says that if the applicant were to use the mark on goods other than brakes it would deceive the public as to the nature of the goods and thus breach section 3(3)(b). He also notes that use of the mark is by Freeman Automotive (UK) Limited rather than the applicant. Any reputation therefore does not accrue to the applicant without evidence of a licence or assignment.
13. Mr. Gregory says that the goods of the present application covers many more goods than those in respect of which the opponents mark is currently used. Although the applicant has claimed *bona fide* intention to use, Exhibit TMG5 from the US Patent and Trademark Office's online database suggest that the applicant is only interested in a limited range of goods: brakes and brake parts. Mr Gregory says that the applicant is trying to monopolise the letters EBC in respect of any battery for any end use. Even if the applicant's claim to an intention to broaden the scope of their activities is considered plausible, plainly he has no intention to enter the dry cell battery market. This casts doubt on the remainder of his specification.

Various Witness Statements

14. The remaining evidence are from members of the industry supporting the existence of a reputation under the opponents' mark, and providing background evidence about the nature of the industry, and the marks used within it.
15. Davy Levine, Managing Director of Hi-Level, has submitted a Statutory Declaration dated 14th September 2001. He states that the letters EBC mean, in the trade, two separate things: EBC brakes and EBC batteries. For batteries EBC means the European Battery Company, but he notes the letters are also used, on the internet, to refer to Eveready Battery Corporation or Exide Battery Corporation. For brakes, the letters were a trade name used by the European Brake Corporation of the Netherlands which he thinks went into liquidation about ten years ago. The letters were then adopted by their UK distributor Freeman Automotive. He says he first became aware of EBC batteries 'about two years ago', which would be around September 1999.
16. Mr Levine says that he does not deal with Freeman Automotive, who are to an extent a competitor selling through a network of small agents to the same sort of traders as Hi-Level. As far as he is aware the letters EBC are only used on brake orientated products or clutches.
17. Next is Trevor Paul Thomas, who has provided a Statutory Declaration dated 17th September 2001, and is owner of the firm TT Autos, trading as Valley Batteries. He has been asked if he is aware of batteries marketed under the trade name EBC. He says he is a customer of the opponents whose name is frequently abbreviated to EBC. Abbreviation is common in the trade, with his own firm's name being abbreviated to VB and another firm, Independent Batteries Ltd, referred to as IBL. He was first offered EBC batteries in late May or June 2000. He was aware of EBC BRAKES as he has seen it on the side of vans, but has never come across batteries supplied by the company using that brand. He is surprised that such a company would supply clutch parts as well.
18. Dean William Marlow is managing director of Batteries Direct (UK Golf) Ltd and has supplied a Statutory Declaration dated 3rd September 2001. His company supplies batteries for golf carts, mobility vehicles and motorcycles. To him the letters EBC mean the European Battery Company which is his supplier for motorcycle batteries. He was first offered batteries

from EBC some time between March and May 2000, and his first order was placed with the opponents following meetings with Robert Owens on 3rd and 11th August 2000.

19. John Bilton, a director of Capitol Batteries Limited, has supplied a Statutory Declaration dated 14th September 2001. This company supplies (mainly to the trade) traction batteries for fork lift trucks and the like. He buys his batteries from the opponents, his first purchase being roughly in September 2000 having first made contact with Robert Owens in, probably, June 2000.
20. Alan Gray, a director of Manbat Limited, has supplied a Statutory Declaration dated 10th September 2001. His company supplies motorcycle batteries and also mobility vehicle batteries. He is a customer of the opponents. He first became aware of the opponents batteries in April 2000 when he was given details of their product range and a copy of their price list. He states that he would be concerned if the EBC batteries had to be rebranded as this would significantly harm their sales of mobility batteries. EBC batteries he says have already acquired a good reputation and continuity of brand supply is important.
21. Cyril Paul Betts is owner of Powertron Batteries and has supplied a Statutory Declaration dated 18th September 2001. He also trades in, *inter alia*, motorcycle batteries and is a customer of the opponents. He thinks that he first learnt about the opponents in May or June 2000 with the first order being placed around August. He also says that he would prefer it if the opponents batteries did not have to be rebranded.

The applicant's evidence in chief

22. Andrew Charles Freeman, Managing Director of Freeman Automotive (UK) Ltd, has filed a Statutory Declaration dated 9th January 2002. He says, in response to the claim that his company has no intention to use the mark for anything except brakes, that he has plans to expand use of the mark into batteries and other motorcycle related products.
23. Jane Elizabeth Rowley is a trade mark attorney with the firm AA Thornton & Co acting for the applicant. Her evidence is directed to the question of registrability. She says that the mark is not excluded from registration under ss. 1 or 3 of the Act and has been accepted by the registry. She cites Chapter 6 of the Work Manual in relation to three letter marks and includes copies, from the register, of three letter marks.

The opponents' evidence in reply

24. Timothy Gregory has replied to Jane Rowley's evidence in a Statutory Declaration dated 5th April 2002. He says that although three letter marks may in the *prima facie* be registrable, whether they are registrable will depend upon factual distinctiveness. According to Practice Amendment Circular 5/2000 random three letter marks are likely to be distinctive, but three letter marks comprising commonly used signs in the relevant trade for non-trade mark purposes may not have the required distinctiveness. Such marks will not be taken by the average consumer to be a trade mark.

The opponents' written submissions

25. The opponents' agent reiterates the arguments under section 3 and summaries the evidence in relation to section 5(4)(a). He says that prior to the filing date of the application a substantial proportion of the relevant market had been educated to associate the EBC mark with the opponents. Goodwill started to accrue in January 2000 when battery supplies were being arranged along with packaging design. Sales of over 23,000 were made to wholesalers prior to the filing date. The agent refers me to the case of *BBC v Talbot Motors Ltd* [1981] FSR 228 in which it was held that publicity in advance of sales was enough to generate good will.

The applicant's written submissions

26. The applicant's agent says that the mark is registrable under section 3 as it does not describe the goods themselves nor does it describe any characteristic of the goods. Relying on the *CYCLING IS...* case, they say that the public would see the letters EBC as being 'origin specific' not 'origin neutral'. The mark is EBC not EBC Brakes and therefore the question of deception under s. 3(3)(b) would not apply. Under section 3(6) the opponent has not made out any case as the applicant is simply looking to expand the brand. Under section 5(4)(a) they say that sales to a single company in the month that the application was filed would not amount to a significant, or any, reputation. All other evidence of goodwill comes from the opponents' customers, who had not, in any event, purchased batteries under the mark before the filing date.

DECISION

27. I will consider each of the grounds in turn.

ECB is incapable of distinguishing: s. 1(1)

28. I notice that Mr. Gregory does not explicitly pursue this ground in his submissions: it is now generally agreed that the hurdle levelled by s. 1(1) of the Act is low (see *AD2000 Trade Mark* [1997] R.P.C. 168 at page 173 as to the limited effect of section 3(1)(a) of the Act) and I see no reason why EBC should fail to clear it: the sign is not so lacking in innate capacity to function as a mark of trade. I do not believe that I need to expend any more effort considering this ground, and will move on.

Devoid of distinctive character s. 3(1)(b)

29. S. 3(1)(b) states:

“3.(1) The following shall not be registered -

- (a) ... ,
- (b) trade marks which are devoid of any distinctive character,
- (c) ... ,
- (d) ... ,

Provided that, a trade mark shall not be refused registration by virtue of paragraph (b), (c) or (d) above if, before the date of application for registration, it has in fact acquired a distinctive character as a result of the use made of it.”

30. In his evidence Mr. Gregory attempts to show (in his words) that ‘EBC is objectionable because of a demonstrable lack of distinctiveness in respect of the majority of goods in respect of which registration is sought.’ He says that for the mark to achieve registration, it must take advantage of the proviso to s. 3(1)(b), as it lacks inherent capability to distinguish - but could function as a trade mark following sufficient exposure, of the right kind, to the trade and public at large - that is, use that generates recognition as an indicator of origin.
31. In my view, Mr. Gregory has, at best, mixed success. Taking the evidence in Exhibit TMG1 in reverse order it is usual to regard ‘state of the register evidence’ as irrelevant in assessing the distinctiveness of a mark of trade (see *British Sugar plc v James Robertson & Sons Ltd* [1996] RPC 281); only evidence from the marketplace carries weight here. The various registrations cited by Mr. Gregory are thus of little or no value. I can’t help feeling that the reference to the various businesses, additionally cited in Exhibit TMG1, also fall into this category. Perhaps this evidence is closer to that which might lend support to the opponents’ assertions; nevertheless, it still fails - I have no idea how industrious these concerns have been, that is, the extent of their trade, which may be minimal. Some hint is given by, for example, the reference to EBC Motor Factors (Brighton) which was incorporated in 1984, and is classified as an ‘active’ company, but this is not enough. However, I cannot conclude, from this, that the term is widely used. Statements of accounts may have helped, here, but the information presented is insufficient for its intended purpose.
32. Mr. Gregory essentially comes to the conclusion that ‘without specific evidence of acquired distinctiveness any three letters such as EBC is devoid of distinctive character in this area and so cannot be accepted as *prima facie* distinctive of any one trader’s goods’, while the applicants, of course, come to the opposite deduction. See their citation of the Registry Work Manual (Exhibit JR1) in paragraph 5 of Ms. Rowley’s Statement. - In fact, the latter is not as cut and dried as Ms. Rowley suggests. It states:

“3.11.1 Three letter marks

3 letter marks should be accepted in the *prima-facie* case unless they are objectionable as descriptive words, acronyms, etc.”

The opponents would, obviously, contend that they have presented enough evidence to overturn the *prima-facie* case. Unfortunately, I do not accept that the evidence that I have considered thus far achieves this objective. This ground fails.

33. Finally, only by way of example, I note the decision of Christopher Floyd QC sitting as a Deputy High Court Judge in the case of *David West v Fuller Smith and Turner Plc* (25 January 2002), where the mark was ESB for beers, and the issue was whether the public would see the sign as no more than an abbreviation for ‘Extra Special Beer’. The judge decided that the descriptive meaning was not immediately apparent, and the mark was acceptable. Of course the facts in this matter were very different, but the mark was acceptable *prima facie*.

S. 3(6): Bad faith.

34. The opponents contention of bad faith is set out in the Declaration of Mr. Gregory at paragraph 13 above. He also states:

“The Opponent’s products were on the market from early July 2000. The Application in question was filed on 27th July 2000. The letter to Hi-Level Enterprises was dated 11th August 2000. It therefore seems most likely that the present Application was filed only after the Applicant had become aware of the Opponent’s use of the mark EBC.”

It is now accepted in the case law that an assertion of bad faith must not be carelessly made. *R. v. Royal Enfield Trade Marks* [2002] R.P.C. 24 states, at paragraph 31, that bad faith:

“...is an allegation of a form of commercial fraud. A plea of fraud should not lightly be made (see Lord Denning M.R. in *Associated Leisure v Associated Newspapers* (1970) 2 QB 450 at 456) and if made should be distinctly alleged and distinctly proved. It is not permissible to leave fraud to be inferred from the facts (see *Davy v Garrett* (1878) 7 Ch. D. 473 at 489). In my judgment precisely the same considerations apply to an allegation of lack of bad faith made under Section 3(6). It should not be made unless it is distinctly proved and this will rarely be possible by a process of inference.”

35. No compelling evidence has been advanced to support Mr. Gregory’s allegation as set out above, nor, indeed, the other assertions he makes in his evidence. I note that *Royal Enfield* approves the principle of brand expansion, and Mr. Freeman, for the applicant, affirms the intention to use the mark on battery products. In the *Poirot* Decision (BL 0-368-02) the Hearings Officer stated:

“47. Turning first to the specification. The opponents have seen from the applicants’ evidence that they intend to use POIROT in relation to a chocolate-based liqueur drink, whereas they are seeking registration in respect of a much wider range of goods. On the question of the applicants not having used or having no *bona fide* intention to use the mark, section 32(3) of the Act sets out, as a basic requirement of making an application, that an applicant confirm in a statement that the trade mark is being used, either by the applicant or with his consent, in relation to the goods or services for which they seek registration of their mark, or that they have a *bona fide* intention that it shall be so used. The section does not require that an applicant be using the trade mark in relation to all, or indeed any of the goods or services for which they seek registration at the time of application for registration, only that where the mark is not in use that there is a *bona fide* intention that it will be so used. Whilst Section 32(3) clearly allows for some futurity in putting the trade mark into use, if through evidence it can be established that an application covers goods/services that the applicants know that the trade mark cannot or will never be used in connection with there is every likelihood that they would be found to have acted in bad faith in making the application. There is no such evidence in this case.”

I think the same can be said of this matter. This ground also fails.

Section 5(4)(a)

36. This section 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 -

(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,”

37. The law of passing off is a common law tort, the modern, and accepted elements of which are set in *Reckitt & Colman Products Ltd v. Borden Inc.* [1990] R.P.C. 341, at page 406:

“The law of passing off can be summarised in one short general proposition - no man may pass off his goods as those of another. More specifically, it may be expressed in terms of the elements which the plaintiff in such an action has to prove in order to succeed. These are three in number. First he must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying ‘get-up’ (whether it consists simply of a brand name or trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff’s goods or services. Secondly, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by him are the goods or services of the plaintiff. ... Thirdly he must demonstrate that he suffers, or in a *quia timet* action that he is likely to suffer, damage by reason of the erroneous belief engendered by the defendant’s misrepresentation that the source of the defendant’s goods or services is the same as the source of those offered by the plaintiff.”

38. There are thus three fundamental hurdles which a claimant must clear if they are to prove passing off on behalf of a defendant - that, at the relevant date (the date of application: 27th July 2000), (i) the claimant 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 their goods/services; and (iii) that such confusion is likely to cause real damage to the claimants goodwill (see Geoffrey Hobbs QC sitting as the Appointed Person in the *Wild Child* case [1998] 14 RPC 455 in which he gave a summary of the law of passing off).

39. Goodwill has been variously defined: for example, as ‘Nothing more than the probability, that the old customers will resort to the old place’ (as per Lord Eldon in *Cruttwell v Lye*, (1810) 17 Ves 335 at 346)) and, more famously, Lord Macnaghten’s ‘..the attractive force which brings in custom.’ The latter definition does not necessarily fix goodwill to a particular physical location, underlining the importance of a mark of trade as a token, or cipher, for the goodwill. Customers, on seeing the trade mark, are reassured the product to which it relates is of a particular quality and/or has certain features with which they are familiar, but the mark is not the goodwill. Following from this, the role of the law is to secure a traders goodwill under his name, the former being ‘.. a property right, for the protection of which a trade-mark is an instrumentality’ (*Prestonettes Inc. v Coty*, 264 US 359 at 368 (1924)).

40. Goodwill has to be earned by human endeavour: it is created by marketing and trade and is preserved by the same - it occurs when the mark is used in trade on a product, and goodwill in the business develops, for which the mark is the indicium. The law offers protection to the goodwill and reputation that the opponents can demonstrate *in trade*.
41. It seems to me that the opponents must win on this matter if they can establish a goodwill under their mark: the marks are identical and so are the goods at issue (I consider only batteries, as the opponents' evidence applies to these products alone); misrepresentation and damage must follow the confirmation of goodwill. I note the following from *BBC v Talbot* [1981] F.S.R. 228:

“It is the injury to the goodwill rather than the precise method of inflicting that injury that matters; and if that injury is inflicted by a process of passing off, the major requirements of the tort are satisfied.”

42. The difficulty facing the opponents is that they must demonstrate that they have, in a relatively short time, built a reputation under their mark. There is, in principle, no objection to this in the case law, as there have been a number of examples where goodwill has been considered to have developed in this manner. In particular, I note *Globelegance BV v Sarkissian* [1974] R.P.C. 603, where the plaintiffs' had a substantial worldwide ladies' fashion business under the name 'Valentino', but their trade in menswear in the UK had been restricted to ties. Nevertheless, the plaintiffs' trading activities in the UK, though limited, was enough to grant an injunction (on the balance of convenience) against the defendant, who sought to start a trade in menswear under the same name. In *Stannard v. Reay* [1967] F.S.R. 140, the plaintiffs commenced business with a mobile fish and chip van under the trade name "Mr. Chippy" in October 1966. Three weeks later the defendants independently embarked on a similar business under the same name; the plaintiffs sought an interlocutory injunction restraining the defendants from continuing to trade. It was held, that even though the plaintiffs had only been trading for about three weeks, there was evidence that they had acquired goodwill requiring protection, and the injunction was granted. Mr. Justice Buckley stated:

“..the plaintiffs' business was one which met with prompt and fairly substantial success, and in those circumstances I think the evidence does *prima facie* indicate that they rapidly built up a connection with the public, and the probability seems to me to be that the name MR. CHIPPY would have formed an element in the familiarity of the public with the plaintiffs' business and that there is *prima facie* a likelihood that the name MR. CHIPPY would have achieved at least a degree of distinctiveness in relation to the plaintiffs' business.”

Of course, all these cases all relate to interlocutory injunctions. Nevertheless, as is stated in *The Law of Passing Off* by Wadlow (*Wadlows*; paragraph 2.25; 2nd Edition) 'Goodwill is created by trading, and very slight activities have been held to suffice'.

43. Turning now to the opponents' evidence, this appears in two parts: that describing their trade activities up and to the relevant date of 27th July 2000 (Mr. Owen's Declaration), and the various witness statements. Of the former, that I consider supportive to the creation of goodwill appears in paragraph 13 of Mr. Owens Declaration, which refers to the invoices in Exhibit RRFO6, where trade is actually demonstrated. The invoices are dated 3rd, 11th and 19th, with two on 26th of July. The amount of trade is given as £150, 562.84, and that figure is

not challenged by the applicant. Hi-Level Enterprises Limited are said to be ‘the largest wholesaler of batteries for motorcycles and specialist vehicles in the UK’. The name EBC is clear on the invoices.

44. Much of that remaining in Mr. Owen’s Declaration is, in my view, mostly irrelevant to the issue of goodwill. He says that his Company’s ‘preparations’ for trading began in the winter of 1999-2000 (paragraph 9), and lists these preparations as ‘..arranging for a supply of suitable batteries, the design of a corporate identity, labelling, packaging and the like and the acquisition of a first major customer within the United Kingdom.’ These events are described in more detail in the paragraphs that follow. I note from *Wadlows*, paragraph 2.29:

“The existence of preparations in advance of commencing business is insufficient in itself to generate goodwill. In the early case of *Lawson v. Bank of London* (1856) 139 E.R 1296 the plaintiff was the promoter of a bank to be known as the Bank of London. He had issued a prospectus and found premises, but the bank had not been formed or begun to trade. His action against a rival bank which had started business under the same name was dismissed. In more recent times several actions by foreign plaintiffs have failed despite the existence of preparations to enter the English market.”

45. There is some evidence to support the view that a passing off action can be supported where a business about to commence trading has created a demand by advertising (see, for example, *BBC v Talbot*), but there is no direct evidence of such promotion here. Nevertheless, I think I can infer that some promotion did occur. Mr. Owens refers to ‘..acquisition of a first major customer within the United Kingdom’ as part of his ‘preparations’ and the witnesses bear witness to acquaintance with the opponents before the relevant date. This seems to have been via personal contact with Mr. Owens (see paragraph 50, for example) who was in the position to supply a price list for the opponents’ products in April 2000 (paragraph 53).
46. Further, the invoices in Exhibit RRFO6 – though very close to the relevant date - bespeak a contract with Hi-Level Enterprises Limited indicative of the trading process – which I take to end with the delivery of the goods, not begin with it.
47. Thus trade had occurred before the relevant date. But was there enough to create the necessary, protectable, property right: goodwill under the mark EBC? Nourse LJ in *Consorzio del Prosciutto di Parma v. Marks & Spencer* [1991] R.P.C. 351 speaks of ‘sufficient goodwill’. The factors that would lead one to believe that such had been proved are listed in *Gyngell and Poulter’s A Users Guide to Trade Marks and Passing Off* (Butterworths, 1998), page 391:

“What is likely to give rise to a ‘sufficient goodwill’ will be a combination of several factors, including:

- (i) the inherent distinctiveness (or otherwise) of the trade mark used by the plaintiff;
- (ii) the quality of the plaintiff’s goods or services in question;
- (iii) the nature and extent of the use of the trade mark by the plaintiff, in terms of the period of use, the geographic extent of such use and the quantity, volume or value of sales of the goods or services in relation to which the mark has been used; and

(iv) the nature and extent of the advertising and other promotion of the goods or services in question.”

48. Mr. Gregory went to some lengths, as is set out above under the s. 3 grounds, to show that EBC is not distinctive of these goods. I do not believe he would have advanced his case under this ground had he succeeded, as a mark with less inherent capacity to distinguish would require more use to become an indicium of goodwill than one with a greater inherent capability to distinguish. However, as I said above, EBC appears to be a mark of trade, and the witness statements tend, I believe, to bear this out (what provided succour to the applicant under the s. 3 ground is apt to work in the opposite direction here).
49. Mr. Davy Levine confirms the size of Hi-Level as ‘one of the largest wholesales distributors of replacement/aftermarket motorcycle parts, including batteries and brake parts.’ He also states:

“I first became aware of European Battery Company and their ‘EBC’ batteries almost two years ago, which to the best of my recollection is when I first heard that they were proposing to distribute batteries, and would use the ‘EBC’ name.

I first purchased ‘EBC’ batteries from European Battery Company in July 2000. There is now produced and shown to me marked Exhibit DL001 copies of the invoices sent to Hi-Level by European Battery Company on 3rd, 11th, 19th and 26th July 2001, to cover this first order. (Commercially confidential information has been obliterated from these documents). Each of these batteries was marked ‘EBC’.”

Knowledge of a business name (by itself) does not amount to goodwill under that name; however, where trade has taken place (as here) it seems to me that it might be part of its evolution – particularly where the latter includes the promotional activities I have inferred that Mr. Owens was involved in before July 2000. Though the actual sales took place very close to the application date, they did occur *before* it and, as I state above, it is logical to assume that business negotiations took place well before July 2000. This all seems to me indicative of goodwill under the mark EBC before the relevant date. Mr. Levine very clearly states:

“I have been asked what the letters “EBC” mean to me. In the motorcycle trade, this refers to two separate things. One is EBC brakes and the other is EBC batteries. For batteries, “EBC” refers to European Battery Company and the “EBC” batteries that they sell. We often abbreviate European Battery Company to “EBC” for convenience.”

50. In the Witness Statement of Mr. Thomas, he states:

“I have been asked a series of questions about the battery market, and in particular about my knowledge of the battery market prior to 27th July 2000. I have been asked if I am aware of batteries marketed under the trade name EBC. I currently buy batteries with this label from European Battery Company, represented by Bob Owens.

I was first offered ‘EBC’ batteries in late May or early June 2000. This was by Bob Owens, who I believe was already trading as European Battery Company/EBC at that time.”

51. Mr. Marlow states:

“I have been asked what the letters ‘EBC’ mean to me. This brings to mind the European Battery Company and their ‘EBC’ batteries. ...

I have been asked when I first became aware of these batteries and of European Battery Company. I cannot be sure of the exact date, but I believe that I first heard that European Battery Company were offering mobility and motorcycle batteries, using the trade name EBC, some time between March and May 2000.

Our contacts with European Battery Company led to Batteries Direct entering the motorcycle battery market. According to my calendar, my first order of motorcycle batteries was placed following meetings with Bob Owens of European Battery Company on 3rd and 11th August 2000.”

The orders were, of course after the relevant date, but very close to it: as before, it is reasonable to assume that the trading process had begun before the orders were placed.

52. The evidence of Mr. Bilton is similar: his first purchase was in September 2000, but he met with Mr. Owens, of the opponents, ‘to discuss buying ... batteries’ in (probably) June 2000.
53. As for Mr. Gray, he was aware of the opponents in April 2000, ‘..and was given details of their product range and a copy of their price list’. This bespeaks activity that is, in my view, beyond that of simply preparation for trade: the opponents were clearly in position to enter into contractual relationships with potential clients. The evidence of Mr. Betts is similar.
54. Finally, I note that the applicant has not challenged the accounts given by the opponents and their witnesses.
55. The relevant public in this matter I assume to be traders who wish to sell on battery products to other traders and the public in general. I have found above that there is evidence to the effect of a development of goodwill amongst the first of these constituencies, as of the relevant date. In my view, on the balance of possibilities, this is enough to support a passing off action, and the opponents have succeeded on this ground, and the application is refused, in respect of batteries.
56. The application can proceed but its specification must be amended as follows:

Class 1: Brake fluid; clutch fluid.

Class 7: Parts and fittings included in Class 7 for motorcycles and motor land vehicles; parts and fittings included in Class 7 for engines for motor cycles and motor land vehicles; all excluding batteries.

Class 9: Electrical and electronic parts and fittings for motorcycles and motor land vehicles; protective helmets; protective clothing; protective footwear; all excluding batteries.

Class 12: Parts and fittings included in Class 12 for motorcycles and motor land vehicles; parts and fittings included in Class 12 for engines for motorcycles and motor land vehicles; all excluding batteries.

If the applicant does not file a TM21 within one month of the end of the appeal period for this decision restricting the specification as set out above the application will be refused in its entirety.

57. The opponents have had some limited success, but I regard the matter as a 'score draw', and resist making a cost award to either party.

Dated this 11th Day of October 2002.

**Dr W J Trott
Principal Hearing Officer
For the Registrar.**