

O-334-03

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NOS 2227583A, 2227583B AND 2241223
BY JERSEY EUROPEAN AIRWAYS (UK) LTD
TO REGISTER TRADE MARKS
IN
CLASSES 12, 16, 18, 25, 28, 37, 39**

AND

**THE OPPOSITIONS THERETO
UNDER NOS 52293, 52295 AND 80245
BY
BRITISH AIRWAYS PLC**

Trade Marks Act 1994

**In the matter of application nos 2227583A, 2227583B and 2241223
by Jersey European Airways (UK) Limited
to register trade marks
in classes 12, 16, 18, 25, 28, 37 and 39
and
the oppositions thereto
under nos 52293, 52295 and 80245
by British Airways plc**

BACKGROUND

1) Jersey European Airways (UK) Limited, which I will refer to as JEA, has three trade mark applications which are the subject of oppositions by British Airways plc, which I will refer to as BA. The cases have the same evidence. Although there are differences in the filing dates and the trade marks the issues are the same. The oppositions have not been consolidated. I am of the view that they should have been consolidated. This decision covers all three cases.

2) The details of the three trade mark applications are as follows:



The above trade marks are filed under application no 2227583A. The application is for a series of two trade marks. It was filed on 30 March 2000.



The above trade marks are filed under application no 2227583B. The application is for a series of four trade marks. It was filed on 30 March 2000. The colours red, orange, yellow and blue are claimed as elements of the third and fourth trade marks.



The above trade marks are filed under application no 2241223. The application is for a series of fourteen trade marks. It was filed on 2 August 2000. The colours white, blue, yellow, orange and red are claimed as an element of trade marks one and two; the colours blue, yellow, orange and red are claimed as an element of trade marks three, four, five and six.

All three applications have the same specifications:

parts and fittings for aircraft;

printed matter; printed publications; tickets; time tables; stationery; writing instruments; playing cards;

goods made of, or predominantly of, leather and imitations of leather; bags, travelling bags; wallets, purses;

clothing, headgear and footwear;

toys, games and playthings;

repair and maintenance services for aircraft;

airline services; air travel services; passenger transport services; cargo transport services; travel agency services; aircraft chartering services.

The above goods and services are in classes 12, 16, 18, 25, 28, 37 and 39 respectively of the International Classification of Goods and Services.

3) BA states that it is the owner of the following trade marks:

- United Kingdom registration no 2107892 for the trade marks (a series of three):



The trade marks are registered for a variety of goods and services in classes 9, 14, 16, 18, 21, 25, 28, 39 and 42. The registration includes the following:

“Second and third mark in this series are limited to the colours red, white and blue as shown in the representation.”

- United Kingdom registration no 1372034 for the trade mark:



The trade mark is registered for:

printed matter, printed publications, instructional and teaching materials; stationery; diaries, calendars, personal organisers; writing instruments; decalcomanias; playing cards; all included in Class 16.

The registration includes the following disclaimer:

“Registration of this mark shall give no right to the exclusive use, separately, of the words "British" and "Airways".”

- United Kingdom registration no 1443620 for the trade mark **BRITISH AIRWAYS**. The trade mark is registered for:

paper; cardboard; printed matter, printed publications, instructional and teaching materials, stationery; diaries, calendars and personal organisers; writing instruments; decalcomanias; playing cards; all included in Class 16.

The registration includes the following disclaimer:

“Registration of this mark shall give no right to the exclusive use, separately, of the words "British" and "Airways".”

- Community trade mark registration no 863951 for the trade mark:



The trade mark is registered for:

paper, paper articles, stationery, printed matter, publications, books, calendars, playing cards;

articles of clothing, footwear and headgear;

toys, games, playthings; model aircraft; sporting and gymnastic articles.

The above goods are in classes 16, 25 and 28 respectively of the International Classification of Goods and Services.

- United Kingdom registration no 1342976 for the trade mark:



The trade mark is registered for:

model aircraft all for sale in kit form; model aircraft; all included in Class 28.

The registration includes the following disclaimer:

“Registration of this mark shall give no right to the exclusive use, separately, of the words "British" and "Airways".”

- United Kingdom registration no 1342977 for the trade mark:



The trade mark is registered for:

model aircraft all for sale in kit form; model aircraft; all included in Class 28.

The registration includes the following disclaimer:

“Registration of this mark shall give no right to the exclusive use, separately, of the words "British" and "Airways".”

- United Kingdom registration no 1454014 for the trade mark **BRITISH AIRWAYS**.
The trade mark is registered for:

travel insurance services; charge card and credit card services; issuing and redemption of travellers' cheques; discount card services; currency and money exchange services; issuing of travel vouchers; cheque account services; all included in Class 36.

The registration includes the following disclaimer:

“Registration of this mark shall give no right to the exclusive use, separately, of the words "British" and "Airways".”

- United Kingdom registration no1454984 for the trade mark:

BRITISH AIRWAYS


The trade mark is registered for:

travel insurance services; charge card and credit card services; issuing and redemption of travellers' cheques; discount card services; currency and money exchange services; issuing of travel vouchers; cheque account services; all included in Class 36.

The registration includes the following disclaimer:

“Registration of this mark shall give no right to the exclusive use, separately, of the words "British" and "Airways".”

- United Kingdom registration no 1281387 for the trade mark:

BRITISH AIRWAYS


The trade mark is registered for:

airline services; air travel services; arranging the transportation of goods and people; excursion, travel agency and booking services; package tour services; package holiday services; car hire services; all included in Class 39.

The registration includes the following disclaimer:

“Registration of this mark shall give no right to the exclusive use, separately, of the words "British" and "Airways".”

- United Kingdom registration on 1395865 for the trade mark **BRITISH AIRWAYS**. The trade mark is registered for:

airline services; air travel services; arranging the transportation of goods and people; excursion, travel agency and booking services; package holiday services; car hire services; all included in Class 39.

The registration includes the following disclaimer:

“Registration of this mark shall give no right to the exclusive use, separately, of the words "British" and "Airways".”

- United Kingdom registration no 1406853 for the trade mark **BRITISH AIRWAYS**. The trade mark is registered for:

provision of medical services, all included in Class 42.

The registration includes the following disclaimer:

“Registration of this mark shall give no right to the exclusive use, separately, of the words "British" and "Airways".”

- United Kingdom registration no 1417290 for the trade mark:



The trade mark is registered for:

medical services; all included in Class 42.

The registration includes the following disclaimer:

“Registration of this mark shall give no right to the exclusive use, separately, of the words "British" and "Airways".”

- United Kingdom registration on 1507761 for the trade mark **BEA**. The trade mark is registered for:

air travel services; airline services; aircraft chartering; passenger transport and air cargo transport services; courier services; transport and delivery of goods; travel agency and booking services; sightseeing, tour and cruise arranging services; package holiday services; car hire services; tourist information services; all included in Class 39.

BA claims that the above trade marks are similar to those of JEA. It also claims that these registrations cover identical or similar goods to those of the applications. Consequently, BA claims that registration of the applications would be contrary to section 5(2)(b) of the Trade Marks Act 1994 (the Act). BA claims that BRITISH AIRWAYS is a trade mark to which a reputation attaches in respect of air travel services. BA claims that if it is found that various of the goods and services of the application are not similar to the goods and services covered by its various registrations, owing to its reputation in the trade mark BRITISH AIRWAYS, registration of the applications would be contrary to section 5(3) of the Act. BA does not specify why registration of the applications would be contrary to this section of the Act.

4) BA states that goodwill is attached to the trade mark BRITISH AIRWAYS and so registration of the applications would be contrary to section 5(4)(a) of the Act. I have presumed, from the reference to goodwill, that BA is relying upon the law of passing-off. No further particularisation is given as to this ground.

5) BA states that the trade mark BEA was used by its predecessors in business in respect of airline services from 1946 to 1974. It claims that insofar as airline services are concerned, BEA is a trade mark to which residual goodwill attaches. Consequently, registration of the applications would be contrary to section 5(4)(a) of the Act. No further particularisation is given as to this ground.

6) BA states that it has used BEA from 1990 in respect of a selection of memorabilia; including posters, videos, pencils, toys, notebooks, stickers, pens, photo albums, address books, oven gloves, aprons, towels, cups, mugs, watches, bags and clothing. As a result of such use BA claims that goodwill attaches to the trade mark BEA. Registration of the applications should be refused as per section 5(4)(a) of the Act. No further particularisation is given as to this ground.

7) BA states that the trade mark BRITISH EUROPEAN AIRWAYS was used by its predecessors in business from 1946 to 1974. It states that it is the owner of the residual goodwill attaching to the trade mark BRITISH EUROPEAN AIRWAYS in respect of airline services. Registration of the applications should be refused as per section 5(4)(a) of the Act. No further particularisation is given as to this ground.

8) BA claims that it uses the trade mark BRITISH EUROPEAN AIRWAYS in respect of similar goods to those mentioned in paragraph 6. Registration of the applications should be refused as per section 5(4)(a) of the Act. No further particularisation is given as to this ground.

9) BA seeks the refusal of the applications and an award of costs.

10) JEA filed counterstatements in which it denied the grounds of opposition. It requests that the applications proceed to registration and seeks an award of costs.

11) Both sides filed evidence.

12) The matter came to be heard on 29 October 2003. JEA was represented by Mr Gill of AA Thornton. BA did not attend but its trade mark attorneys, RGC Jenkins & Co, submitted written submissions.

EVIDENCE

Evidence of BA

13) BA supplied three witness statements. One by its trade mark attorney and two by Paul Jarvis. Mr Jarvis is the Assistant Company Secretary of BA. The statement of the trade mark attorney just adduces details of BA's trade mark registrations into the proceedings. The second of Mr Jarvis's witness statements can be characterised as representing submission rather than evidence of fact and so I will say no more about it; although I take on board the comments made by Mr Jarvis. Parts of Mr Jarvis's first statement are also submission and I will treat those parts in the same manner.

14) In considering the evidence I take it as read that BA and British Airways are famous trade marks in relation to airline services. The issue before me, as far as the evidence goes, firmly rests on whether there is a residual goodwill associated with the sign British European Airways. In considering the evidence and the issue it is important to bear in mind that this is not an issue of whether there is a memory of British European Airways. Persons of my generation are very likely to remember British European Airways, in the same way that they are likely to remember the LMR, the GWR and the LNER.

15) BA have added in the question of a residual goodwill associated with the sign BEA. There are various acronyms which the public are well aware of, yet might not well know from where they come eg **I**nternational **B**usiness **M**achines and **I**mperial **C**hemical **I**ndustries. If one accepts that the majority of those who remember British European Airways see it as being synonymous with BEA, and vice versa, this can have an effect as use of BEA can then keep British European Airways in the mind. However, this cannot be used as a sleight of hand to make the syllogistic leap of there being an equivalence in the comparison of the signs BEA and the trade marks of JEA and British European Airways and the trade marks of JEA.

16) In 1924 four of Britain's fledgling airlines merged to form Imperial Airways Limited. In 1925 Imperial Airways was providing services to Paris, Brussels, Basle, Cologne and Zurich. During the 1920s and 1930s new services were introduced to Egypt, the Arabian Gulf, India, South Africa, Singapore and West Africa and Australia, the latter service in co-operation with Qantas. In 1935 a number of British air transport companies merged to form British Airways Limited. This became Imperial Airways' principal British competitor on European routes. In 1939 Imperial Airways and British Airways were nationalised to form British Overseas Airways Corporation (BOAC).

17) After the war BOAC continued to operate long haul services. From 1946 European and domestic flights were flown by a new airline, British European Airways (BEA). From 1946 to 1960 BOAC and BEA were the principal operators of scheduled international passenger and cargo services. In 1974 BOAC and BEA were combined under the newly formed British Airways Board, the joint airline being known as British Airways (BA). In February 1987 BA was privatised. BEA existed as an airline between 1946 and 1974. Exhibit PJ2 is an on-line history of British European Airways. From 1959 the livery of the airlines changes. No longer did they bear the name British European Airways but instead BEA. There is an absence of evidence to indicate if this "re-branding" also found effect on tickets and literature, whether the use of British European Airways withered upon the vine. Exhibited at PJ4 is a copy of an advertisement from the "Daily Mirror" of 2 May 2002. This is clearly from well after the relevant dates and so is of doubtful significance. The advertisement is for a series of postage

stamps celebrating the fiftieth anniversary of commercial jet flight. Each of the stamps shows a partial picture of an aeroplane. The stamp for letters destined for European countries shows the tail of a 1964 Trident upon which can be seen the BEA logo.

18) Exhibited at PJ5 is a print-out of details, from Companies House, of British European Airways Limited. This is a subsidiary of BA. The company was previously known as British Airways Tour Operations Limited and prior to that as Silver Wing Surface Arrangements Limited. The company is a non-trading company and so I cannot see how the existence of this company on the records of Companies House adds anything to BA's case. It is certainly not something that of itself would either engender or maintain goodwill.

19) Mr Jarvis states that BA uses British European Airways and BEA in respect of items of memorabilia. In support of this claim various material is exhibited at PJ6. There are pages downloaded from the Internet from collectiques.net on 29 May 2002. The goods are models of five aeroplanes and one bus. Five of the items are indicated as being sold out/discontinued. These five items all have release dates before the relevant dates. The one item that would appear to be available, a model of a DH Comet 4B BEA Airtours plane was released on July 2000. Only the model bus is referred to by British European Airways, the other items are referred to by BEA. The goods in question are the products of Corgi Classics. No licence agreement has been produced between BA and Corgi Classis or indication that one exists. So from the evidence the goods would appear to be those of Corgi and not BA. If there is an arrangement between the firms it is odd that BA had to rely upon downloading pages from the Internet. Also produced are pages from a catalogue entitled "Silverwing". On the cover the words "British Airways Archive Collection" can be seen. Pictured in the catalogue is a watch bearing the letters BEA and a baseball cap which bears a badge which includes the letter BEA upon it. There is not the slightest indication of the date of the catalogue and so it tells me nothing about the position at the relevant dates. There is also an absence of any indication of sales of either the Silverwing or Corgi items. Finally, there are photographs of an exhibition of old airline posters. Several of the poster are for Imperial Airways, British Airways and BOAC. As far as I can see there are two posters for British European Airways. There is no indication of when and where the exhibition was held. At the back of each of the photographs are details of the photographer. His details bear an 0181 telephone number.

20) Exhibited at PJ10 is a letter from Rentokil Initial legal department dated 25 June 2001. This has been adduced into the proceedings in order to show confusion. The letter attaches a copy of a letter sent to British European Airways at Bristol Airport. It requires payment of an outstanding bill. Attached, in its turn, is a copy of this bill which is addressed to Jersey European Air at Exeter Airport. The letter of 25 June 2001 is addressed to British European Airways Ltd at Waterside PO Box 365 Harmondsworth UB7 0GB. These are the details of the company exhibited at PJ5. I do not see that this correspondence supports the case of BA. The legal department of Rentokil Initial has not sent it to BA. It has sent it to the registered office of British European Airways Ltd. The letter specifically refers to the registered office and so there is a clear inference, and not mere conjecture, that having failed to elicit a response from the bill sent to JEA at Exeter Airport and the letter to British European Airways at Bristol Airport, Rentokil Initial's legal department sought a further destination for its demand. Nothing in this letter suggests a confusion with BA or an association with BA. If the relationship with BA was so clear, owing to residual goodwill, no doubt Rentokil Initial would have addressed the letter to BA and not to a dormant company. As a dormant company with no indication of any business, British European Airways Limited certainly cannot claim to have a goodwill. BA is the owner of the company registration; based upon the evidence,

British European Airways Limited cannot be considered to be any more than a company registration. Nothing indicates that the public would be aware of who is the ultimate owner of British European Airways Limited. There is no reason the public would even be aware of the existence of this dormant company. The Rentokil Initial correspondence shows that a company involved in the aviation industry, the bill was for baggage screening services, made no connection between JEA, even though clearly aware of its use of British European, and BA. The evidence undermines the claims of BA.

Evidence of JEA

21) This is given in a witness statement by Jim French, who is the managing director of JEA. Parts of the witness statement represent submission rather than evidence of fact. I will say nothing about these parts of evidence but bear them in mind whilst reaching my decision.

22) JEA was formed in 1979 by the merger of Jersey based Intra Airways and Bournemouth based Express Air Services. Following the merger the operations of JEA gradually expanded. Operational headquarters were established in Exeter in 1985. JEA has won several awards for its services. In 1990 JEA was carrying around 400,000 passengers per annum. The company has carried more passengers each year and by 31 March 2000 was carrying 2.3 million passengers per year and had an annual turnover of approximately £183 million. By then JEA had 11% of the United Kingdom domestic market and was the biggest scheduled carrier of people to the Channel Islands and Northern Ireland.

23) The expansion of the company was hampered by its name which clearly associated it with services to and from Jersey. Consequently on 8 May 2000 the name of the airline was changed to British European. Since the adoption of the new name JEA's turnover has been in the region of £225 million per annum. JEA spent £3 million per year on advertising during the initial period following the change of name. The expenditure increased to £10 million in the last financial year. Mr French does not identify what financial year JEA uses but from the date of his statement, he appears to be talking about a period which includes 2002. In addition to advertising in the trade and national press JEA ran a television advertisement in November 2002 and a regional radio advertising campaign in October 2001. No indication is given as to the intensity of these broadcast media campaigns.

24) Mr French states that despite the very extensive exposure JEA has had through advertisement and use of the name British European, he is not aware of any actual instance of confusion on the part of the public between JEA and BA.

Copies of various advertisements are exhibited:

- National press advertisement from August 2001. This shows the trade mark as per application number 2241223 and also the Internet address www.british-european.com.
- National press advertisement from Spring 2001. This shows the use as above as well as a reference to British European.
- Trade press advertisement from July 2001. This shows the use as above as well as a reference to British European.
- National press advertisement from Spring 2001. This shows the use as above as well as a reference to British European.
- National press advertisement from Spring 2001. This shows the trade mark as per application number 2241223 and also the Internet address www.british-european.com.

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DECISION

Likelihood of confusion - section 5(2)(b) of the Act

25) According to section 5(2)(b) of the Act a trade mark shall not be registered if because

“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.”

Section 6(1)(a) of the Act defines an earlier trade mark as:

“a registered trade mark, international trade mark (UK) or Community trade mark which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks”

26) All of the trade marks upon which BA relies are earlier trade marks as defined by section 6(1)(a) of the Act.

27) In determining the question under section 5(2)(b), I take into account the guidance provided by the European Court of Justice (ECJ) in *Sabel BV v Puma AG* [1998] RPC 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117, *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV* [2000] FSR 77 and *Marca Mode CV v Adidas AG* [2000] ETMR 723.

28) The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details (*Sabel BV v Puma AG* page 224). The visual, aural and conceptual similarities of the marks must, therefore, be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components (*Sabel BV v Puma AG* page 224). I take into account the matter must be judged through the eyes of the average consumer of the goods/services in question (*Sabel BV v Puma AG* page 224) 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 (*Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV* page 84, paragraph 27).

29) I will first deal with the trade marks that include the words BRITISH AIRWAYS. Some of these trade marks include a device element or are stylised. There is no commonality in the device elements or the element of stylisations in these trade marks and those of JEA. The sole common element in the trade marks is the word British. The word British is non-distinctive. Any distinctiveness will come with its combination with other elements. The public will look to other elements to identify the trade marks. AIRWAYS and EUROPEAN have no similarity. They are conceptually, visually and phonetically clearly and obviously dissimilar. I, of course, have to consider the trade marks in their entireties and neither the words AIRWAYS or EUROPEAN are distinctive. I cannot see that any viable case can be built up

for a claim to similarity between the various trade marks. To accept BA's claim would not only give them de facto rights in the word British but would fly in the face of all logic. No amount of reputation will overcome the dissimilarity between the signs.

30) BA argues in its written submissions that I should take into account in my global appreciation that BEA is the recognised abbreviation for BRITISH EUROPEAN AIRWAYS. What BA is effectively saying is that I should not consider the trade mark as registered but some other trade mark which is not registered. I have to consider the trade mark as registered, not some other completely different trade mark. I think it is patently obvious that BEA is in no way similar to the JEA trade marks.

31) To succeed under section 5(2)(b) of the Act the trade marks have to be similar; that is what the Directive states, it is what the Act states. It is what is pointed out in *Sabel*:

“it is to be remembered that Article 4(1)(b) of the Directive is designed to apply only if by reason of the identity or similarity both of the marks and of the goods or services which they designate, “there exists a likelihood of confusion on the part of the public”.”

For if the trade marks are not similar then confusion is not going to arise; reputation, identity of goods, distinctiveness of the earlier trade mark cannot make the dissimilar similar. Consequently, the case under section 5(2)(b) of the Act founders and fails.

32) The grounds of opposition based upon section 5(2)(b) of the Act are dismissed.

Section 5(3) of the Act

33) Section 5(3) of the Act states:

“A trade mark which -

- (a) is identical with or similar to an earlier trade mark, and
- (b) is to be registered for goods or services which are not similar to those for which the earlier trade mark is protected,

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

34) No mention is made in the written submissions of BA as to this ground of opposition. However, BA has not stated that it is abandoning it. So I have to deal with it. Fortunately, I do not have to delve very deeply into this issue.

35) I have already decided in relation to the objection under section 5(2)(b) of the Act that the BA trade marks are not similar to those of JEA. In the absence of the similarity of the trade marks the grounds of opposition under section 5(3) of the Act must fail.

Passing-off – section 5(4)(a) of the Act

36) I intend to adopt the guidance given by Mr Geoffrey Hobbs QC, sitting as the appointed person, in the *Wild Child case* [1998] 14 RPC 455. In that decision Mr Hobbs stated that:

"A helpful summary of the elements of an action for passing off can be found in Halsbury's Laws of England 4th Edition Vol 48 (1995 reissue) at paragraph 165. The guidance given with reference to the speeches in the House of Lords in *Reckitt & Colman Products Ltd v Borden Inc* [1990] RPC 341 and *Erven Warnink BV v J Townend & Sons (Hull) Ltd* [1979] ACT 731 is (with footnotes omitted) as follows:

"The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:

- (1) that the plaintiff's goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;
- (2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by the defendant are goods or services of the plaintiff; and
- (3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant's misrepresentation."

..... Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph 184 it is noted (with footnotes omitted) that; "To establish a likelihood of deception or confusion in an action for passing-off where there has been no direct misrepresentation generally requires the presence of two factual elements:

- (1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and
- (2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact. In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

- (a) the nature and extent of the reputation relied upon;
- (b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;
- (c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;
- (d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and
- (e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action.””

37) It is well established that the relevant date for passing-off is the date of the behaviour complained of (see *Cadbury Schweppes Pty Ltd v Pub Squash Co Pty Ltd* [1981] RPC). In this case the evidence shows that JEA did not adopt the name British European until 8 May 2000. This is after the date of the filing of 2227583A and B but before the filing of 2241223, which was filed on 2 August 2000. However, there is no evidence of use of the trade marks the subject of 2241223 prior to 2 August 2000. These are not just the words British European, they include a device and the words “part of Walker Aviation”. Consequently, I consider that the date of the behaviour complained of must be the date of the filing of the applications. (On the facts of this case I cannot see that it will have any bearing if in relation to 2241223 the date is 8 May 2000 or 2 August 2000.) The relevant dates for the applications cannot be any later than their dates of filing as section 5(4)(a) of the Act is derived from article 4(4)(b) of First Council Directive 89/104 of December 21, 1998 which states:

“rights to a non-registered trade mark or to another sign used in the course of trade were acquired prior to the date of application for registration of the subsequent trade mark, or the date of the priority claimed for the application for registration of the subsequent trade mark”.

From the evidence before me BA’s position will be no better or worse on 30 March 2000 than 2 August 2000. So I will treat the three applications together.

38) I have dealt with the absence of similarity between the sign BRITISH AIRWAYS and the trade marks of JEA under section 5(2)(b) of the Act. In the absence of similarity of the sign there can be no confusion or deception, so no damage, so the case must fall. In relation to the signs BEA and BRITISH EUROPEAN AIRWAYS, BA relies upon residual goodwill. These signs have not been used in relation to airline services since 1974. BA looks to some memorabilia and pictures of an exhibition of old posters. The only memorabilia that can be identified as being on the market prior to the relevant date is from Corgi. Here, nothing has been argued as to the owners of Corgi having a goodwill in relation to the signs BEA and BRITISH EUROPEAN AIRWAYS. So the best that the Corgi memorabilia in themselves could do is go towards the issue of residual goodwill. In the grounds of opposition BA made very extensive claims about the memorabilia that it has trade in. There is an enormous disparity between the claims and the evidence. Indeed, there is no evidence that establishes a trade in memorabilia by BA on or before the relevant dates.

39) The concept of residual goodwill, a goodwill subsisting after the demise of a business is clearly established (see *Star Industrial Company Limited v Yap Kwee Kor (Trading As New Star Industrial Company)* [1976] FSR 256, *Ad-Lib Club Limited v Granville* [1971] FSR1, *Thermawear Limited v Vedonis Limited* [1982] RPC 44 and *Sutherland v V2 Music Ltd* [2002] EMLR 28.

40) In *Ad-Lib Club Limited v Granville* [1971] FSR1 Pennycuick VC stated:

“In support of that statement there is cited the case of *Norman Kark Publications Ltd. v. Odhams Press Ltd.*, [1962] 1 All E.R. 636; [1962] R.P.C. 163 in which the first paragraph of the headnote reads:

"In an action to restrain the use of a magazine or newspaper title on the ground of passing off the plaintiff must establish that, at the date of the user by the defendant of which the plaintiff complains, he has a proprietary right in the goodwill of the name, viz., that the name remains distinctive of some product of his, so that the use of the name by the defendant is calculated to deceive; but a mere intention on the part of the plaintiff not to abandon a name is not enough".

Wilberforce, J. went at length into the principles underlying proprietary right in goodwill and annexation of a name to goodwill and the laws of the right to protection of a name and on the facts of that particular case he held that the plaintiff company had lost its right in respect of the name TODAY as part of the title of a magazine.

It seems to me clear on principle and on authority that where a trader ceases to carry on his business he may nonetheless retain for at any rate some period of time the goodwill attached to that business. Indeed it is obvious. He may wish to reopen the business or he may wish to sell it. It further seems to me clear in principle and on authority that so long as he does retain the goodwill in connection with his business he must also be able to enforce his rights in respect of any name which is attached to that goodwill. It must be a question of fact and degree at what point in time a trader who has either temporarily or permanently closed down his business should be treated as no longer having any goodwill in that business or in any name attached to it which he is entitled to have protected by law.

In the present case, it is quite true that the plaintiff company has no longer carried on the business of a club, so far as I know, for five years. On the other hand, it is said that the plaintiff company on the evidence continues to be regarded as still possessing goodwill to which this name AD-LIB CLUB is attached. It does, indeed, appear firstly that the defendant must have chosen the name AD-LIB CLUB by reason of the reputation which the plaintiff company's AD-LIB acquired. He has not filed any evidence giving any other reason for the selection of that name and the inference is overwhelming that he has only selected that name because it has a reputation. In the second place, it appears from the newspaper cuttings which have been exhibited that members of the public are likely to regard the new club as a continuation of the plaintiff company's club. The two things are linked up. That is no doubt the reason why the defendant has selected this name.”

41) Twenty six years had passed by the time of the filing of the applications since the use of BRITISH AIRWAYS or BEA as a sign in relation to a business. Is BA's action indicative of a mere intention on the part of BA not to abandon the names? A period of twenty six years without use would certainly suggest that this is the case. Lord Parker in *Spalding and Brothers v AW Gamage Limited* [1915] 32 RPC 273 at page 284 stated:

“Even in the case of what are sometimes referred to as Common Law Trade Marks, the property, if any, of the so-called owner is of its nature transitory, and only exists so

long as the mark is distinctive of his own goods in the eyes of the public.”

42) BA has put in no evidence to show that the signs BRITISH AIRWAYS and/or BEA are still distinctive of the airline that used to use them. In the context of the evidence it is useful to refer to the comments of Pumfrey J in *South Cone Inc. v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19:

"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 (OVAX)* (1946) 63 RPC 97 As qualified by *BALI* [1969] RPC 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. 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."

To have any effect the goodwill that BA claims has to have been extant at the relevant date. These issues have to revolve around a point in time. Whether the goodwill is described as residual or not it has to have been existence at the relevant date, it still needs that attractive force. There is no evidence from the trade and the public. The gap between the last use of the signs and the relevant dates is enormous. Such a gap demands strong, compelling evidence. All BA's evidence does is tell me BEA was famous in 1974. A few nostalgic toys from Corgi, with no mention of sales, tells me nothing about the public perception in relation to airline services.

43) BA is making a claim that goes well beyond the claims of the cases I have referred to above. Although, I accept the renown of BEA was far greater than that of any of the plaintiffs in those cases. However, the facts of those cases can also be distinguished, *Whitford J in Thermawear Limited v Vedonis Limited* commented:

“Even in the trade the introduction of the Vedonis THERMAWARM brand plainly led to some confusion.”

As I have commented above, the evidence that BA has filed to show confusion, shows exactly the opposite. In *Ad-Lib Club Limited v Granville Pennycuick VC* also commented upon the confusion that had arisen:

“In the second place, it appears from the newspaper cuttings which have been exhibited that members of the public are likely to regard the new club as a continuation of the plaintiff company's club.”

In *Sutherland v V2 Music Ltd* Mr Sutherland and Mr Lyall were still pursuing their musical careers by way of reference to Liberty, if in a very small way. No airline business, of any scale, is being conducted under the signs upon which BA relies. In *Harrods v Harrodian School* [1996] RPC 697 Millett LJ states:

“It is not in my opinion sufficient to demonstrate that there must be a connection of some kind between the defendant and the plaintiff, if it is not a connection which

would lead the public to suppose that the plaintiff has made himself responsible for the quality of the defendant's goods or services"

BA has to establish that the public would believe that it was responsible for the goods and services of JEA. The nature of the airline business gives rise to complaints; delays, overbooking, lost luggage, missed connections etc. However good the business there will be problems. Airlines cannot control weather conditions, air traffic control problems. The evidence shows that JEA has been using the words BRITISH EUROPEAN in relation to its service in a very large way, if after the relevant date. (The evidence of confusion may be indicative of the public perception and so is not limited to the relevant date.) Yet BA has not produced a record of one complaint being directed to itself, instead of to JEA. If there was a residual goodwill, for a sign so similar to BRITISH EUROPEAN AIRWAYS, confusion would be inevitable it seems to me. It has supplied evidence to show that when a creditor was seeking payment, the creditor did not go to BA.

44) In *Ad-Lib Club Limited v Granville* Pennycuik VC stated that the issue of residual goodwill is a question of fact and degree. The degree in this case is the length of time that the goodwill is supposed to have subsisted, balanced with the size of the reputation at the time the business ended. The fact is also that despite extensive trading BA has not shown one instance of confusion. The nature of the business is also to be taken into account. This is a business that when it ceased, ceased being seen as a business. It is not like, for instance, a car business where the product will be seen long after the demise of the company.

45) BA has taken a scatter gun approach to its claims also. It has not adopted a different position to different goods and services. The public concerned for *parts and fittings for aircraft, repair and maintenance services for aircraft, cargo transport services and aircraft chartering services* is a very sophisticated and expert one. Yet BA has treated this public as if it was the same public for toys and air travel services. BA's comments in its submissions:

"The three oppositions to which reference is made above are not consolidated and each should be considered on its own merits."

Yet it has made no differentiation between the trade marks. In the case of 2241223 there is a clear difference as the trade marks include, if in small print, "part of Walker Aviation". In terms of passing-off this has some importance as it makes a clear statement that the goods and services are not those of BA.

46) BA has not established a goodwill, residual or not, at the relevant dates. It has not established there has or would be any confusion. It has not established that there has or would be any damage. The grounds of opposition under section 5(4)(a) of the Act are dismissed.

47) Consequent upon the above all the grounds of opposition have been dismissed.

COSTS

48) Mr Gill made submissions on costs. I reproduce these, from the transcript, below:

"As you have already pointed out, perhaps these proceedings should have been consolidated. They have not been. You mentioned that you were grateful you were not troubled to come down to London today and I was, of course, happy to accede to that request, although I would say that, at the time I received the request on Monday, I had not actually been informed that this would not be a contentious hearing. I found that out second-hand from your colleagues here who were kind enough to ring me on Tuesday afternoon just before I rang you to ask me who was attending and mentioned

in passing that this would not be contentious. Part of the reason for that is, undoubtedly, there is a localised postal strike in London at the moment, so that the comments that you received and posted on Friday were not received and still have not been received. I did receive, by e-mail, a copy of those reports together with your own faxed copy, for which I am grateful. Because we were not aware that British Airways were not attending, Mike Rutter, who sits on my left here, has come up to attend the hearing today from Exeter. He did mention in passing that perhaps he would have been quicker coming to Newport but the fact that he attended is that he sees this as a particularly important commercial matter for Jersey European. I should also mention, I think, that, to my mind, the vast majority of these grounds, if not all of them, have very little legal merit and, again, to my mind, this dispute is one which has been pursued for commercial reasons without really great regard to the commercial merit of the complaint. I think this is demonstrated by both the lack of vigour with which the oppositions have been pursued and the minimal input that has been provided at every stage, including the late notice that there would be no representation at this hearing. With all those factors in mind, my view is that a reasonable award of costs, taking account of the fact that although the proceedings have not been consolidated many of the issues are similar, would be for three times the usual award in connection only with the notice of opposition and perusal of the statement of grounds - so three times 500 together with a single award, up to the maximum shown on the registry's normal scale, in connection with the preparation and filing of evidence, considering both sets of evidence in reply and the preparation for and attendance at this hearing, which would amount to 3,700, or a total award of 5,250."

49) *Rizla Ltd's Application* [1993] RPC 365 confirms that in the matter of costs the registrar has a wide discretion. In *BUD and Budweiser Budbräu Trade Marks* [2002] RPC 38, Mr Simon Thorley QC, sitting as a deputy judge of the High Court, stated:

"In particular I believe it will be correct for the hearing officer to consider seriously departing from the usual scale where he concludes that a case is unarguable. Equally the costs involved in preparing, considering and replying to evidence are generally significant and it is right that awards of costs off the usual scale should be made in circumstances where the hearing officer is satisfied that a party has unreasonably failed to consider what evidence is relevant before filing a large amount of irrelevant evidence."

Mr Gill has not requested cost off the scale but at the maximum level. Costs are to compensate, not to punish. Where grounds are untenable or irrelevant evidence is put in, any additional costs that are awarded are awarded for the needless additional work that the other side has been put to.

50) I consider that these cases clearly should have been consolidated. However, either side could have requested their consolidation; it is not just a failing of BA. The grounds under sections 5(2)(b) and 5(3) of the Act were in my view untenable. However, little effort appears to have been expended in relation to these grounds. In the submissions of BA no mention was made of section 5(3) of the Act. The evidence furnished by BA was not excessive or oppressive. It only really went to the key issue of the case, the residual goodwill question. This in itself was not an untenable ground of opposition. However, the evidence furnished in no way supported the claims that BA was making. The evidence furnished by JEA was relatively limited, no bad thing in itself. The statements of grounds and counterstatements are

to all effects and purposes the same. Consequently, it would not appear appropriate to award three separate sets of costs for them. Although, it is necessary to take into account that extra time would have to be expended in relation to the later opposition, no 80245, in contacting JEA and discussing the new opposition. The nature of the evidence of JEA would not seem to merit an award at the top end of the scale. BA could have advised earlier that it did not intend being represented at the hearing. The notification of the hearing was issued on 21 July 2003. On 4 August 2003 BA's representatives advised that they did not know if they would be attending the hearing. However, it did not advise the registrar until the afternoon of Friday 24 October 2003, by facsimile transmission, that it would not be represented at the hearing. A letter was, no doubt, sent to JEA's representatives but they did not receive it. Considering the proximity to the date of the hearing, it would have been sensible to have also sent the letter by facsimile transmission. However, BA cannot be held responsible for the effects of a postal strike. In relation to the hearing, the amount given is meant to reflect the time taken to prepare and attend. It is not an amount to cover clients who wish to also attend. I have some sympathy with Mr Gill's submissions on costs but I temper that sympathy with the purpose and nature of the costs regime of the registrar. Consequently, I have decided that the costs should be awarded as follows:

Considering notice of opposition and filing counterstatement:	£800
Evidence of JEA:	£750
Considering the evidence of BA:	£750
Preparation for and attendance at hearing:	£500

This makes a total of £2,800.

51) Jersey European Airways (UK) Limited having been successful is entitled to a contribution towards its costs. I order British Airways plc to pay Jersey European Airways (UK) Limited the sum of £2,800. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 4th day of November 2003

**David Landau
For the Registrar
the Comptroller-General**