

O-364-09

TRADE MARKS ACT 1994
APPLICATIONS 2463435, 2463438 & 2463439
BY CHEVRON RACING TEAM LIMITED
TO REGISTER THE TRADE MARKS
CHEVRON B8, CHEVRON B16 AND CHEVRON B19
IN CLASS 12

AND

CONSOLIDATED OPPOSITIONS 95811, 95812 & 95816
BY CHEVRON CARS LIMITED

BACKGROUND

1. On 7 August 2007, Chevron Racing Team Limited applied to register the trade marks CHEVRON B8, CHEVRON B16 and CHEVRON B19 in respect of:

“Vehicles; apparatus for locomotion by land, air or water, road and racing vehicles; parts and fittings for all the aforesaid goods; all in Class 12, but not including brake linings or fans for motor vehicles.”

2. The trade marks were subsequently accepted and published for opposition purposes. On 21 December 2007, Chevron Cars Limited filed notice of opposition to the proposed registrations. The grounds for the opposition, in summary, are that:

- i) The opponent is the successor in title to a business started by a Derek Bennett in 1965. That business used the signs CHEVRON, and a logo incorporating the word CHEVRON, from 1965, and used the signs CHEVRON B8, CHEVRON B16 and CHEVRON B19 from 1967, 1968 and 1969, respectively. Through a chain in title the goodwill under those marks belongs to the opponent in relation to motor vehicle design and manufacturing, motor vehicle repairs and servicing, and in relation to spare parts for motor vehicles.
- ii) Use of the marks applied for in relation to all the goods covered by the applications is therefore liable to be prevented under the law of passing off and, consequently, registration should be refused under s.5(4)(a) of the Trade Marks Act 1994 (“the Act”).
- iii) The opponent is the owner of the copyright in the Chevron logo and use of the marks applied for would infringe the opponent’s copyright. Consequently, registration should be refused under s.5(4)(b) of the Act.

3. The applicant filed a counterstatement in which it:

- i) Admitted that Derek Bennett commenced and carried on a business of designing and manufacturing racing cars in the 1960s, which continued up until his death in 1978 or shortly thereafter, and that he designed and built motor vehicles known as the CHEVRON B8, CHEVRON B16 and CHEVRON B19.
- ii) Admitted that a limited number of these vehicles remain in existence today and provide a market for the supply of spare parts, servicing and preparation for racing.
- iii) Claimed that the applicant or Vin Malkie and Helen Bashford-Malkie, who together control the applicant, (or other companies controlled by them) have provided all such services since 1978.
- iv) Claimed that the companies and persons mentioned in iii) above have manufactured and sold vehicle components and motor vehicles under the marks CHEVRON B8, B19, B21 and B36 since 1984, under the

mark CHEVRON B16 since 1989, and under the mark CHEVRON B1 Mk2 since 2003 .

- v) Denies that the opponent is entitled to any goodwill under any of the marks at issue as a result of a chain of title going back to the original business operated by Derek Bennett, or otherwise.
- vi) Claims that, even if the opponent is entitled to any such goodwill, it would not be entitled to prevent the applicant from using the marks applied for by virtue of the fact that:
 - a) the applicant has been using the marks as described above, and
 - b) the opponent and its predecessors in title have at all material times been aware of the applicant's use of the CHEVRON marks.
- vii) Further claims that it would be unconscionable for the opponent to prevent the applicant from using the marks and any such claim would be barred by reason of delay acquiescence and/or laches.
- viii) Denies that the use of the marks applied for is capable of infringing any copyright in the Chevron logo.

4. Both sides ask for an award of costs.

5. The Registrar consolidated the opposition proceedings. Accordingly, this decision covers all three oppositions.

THE EVIDENCE

6. The opponent's evidence takes the form of:

- i) Two witness statements from Christopher Kenneth Smith, who is the Managing Director of, and majority shareholder in, the opponent company, who claims that the opponent (then called Gridbase Limited) bought the assets and goodwill of Chevron Cars Limited in February 2007.
- ii) A witness statement from Laurence Jacobsen, who is a car and racing enthusiast who claims to have been one of the three persons who, in 1980, bought the assets of Chevron Racing Cars Limited (formerly Derek Bennett Engineering Limited) ("the original business") from the liquidator and ran the business for 3 years through a company called Chevron Racing Cars (Scotland) Limited before it too went into liquidation.
- iii) A witness statement from Ian Rankin, who is a retired accountant and acted as the Liquidator of Chevron Racing Cars (Scotland) Limited,

and who claims to have sold all the assets of that company to a Mr Roger Andreason or a company owned or controlled by him.

- iv) A witness statement from Roger Andreason, who claims to have purchased the assets and goodwill in Chevron Racing Cars (Scotland) Limited from the Liquidator of that company in 1983 and operated a business under the name Chevron Cars Limited until 2006 before selling the title to the opponent.

7. The applicant's evidence takes the form of five witness statements. Two are from Vincent Alan Malkie and Helen Bashford-Malkie, who are Directors of the applicant company.

8. It is evident from these statements that the applicant for the disputed trade marks is already the proprietor of UK registrations 2239477 and 2239479, which consist of the word CHEVRON and a logo version of the same word mark. These marks are registered with effect from 15 July 2000 and cover identical goods to those covered by the current applications.

9. According to Mr Malkie, he and his wife conduct their business through the applicant and a number of related companies, which they also own and operate.

10. The third witness statement is from Colin Bennett (no relation to Derek Bennett, the founder of the original business) who is a racing car engineer. His evidence goes to the nature of the liquidation of the company that ran the original business.

11. The fourth and fifth witness statements are from Fred and Frank Whittle. Fred Whittle was an employee of the original business. His evidence is that in 1967 he encouraged his brother Frank (who did not work for the business) to produce some drawings for a logo version of the Chevron mark. Frank Whittle gives similar evidence. According to them, Frank Whittle was the creator of the Chevron logo and still retains the copyright.

WRITTEN SUBMISSIONS

12. The parties have not asked to be heard, but both sides filed extensive written submissions in support of their cases. The opponent's submissions were filed by Gill, Jennings and Every LLP, who are the opponent's trade mark attorneys, but appear to have been prepared by Harbottle & Lewis, solicitors. The applicant's submissions were filed by the applicant's solicitors, SFN, but appear to have been prepared by Mark Platt-Mills QC. Accordingly, although there has not been a hearing, I have had the benefit of extensive analysis and arguments as to the facts, the relevant law and legal tests. It is apparent from the parties' submissions that some facts are not in dispute. I will start with them.

UNDISPUTED FACTS

13. It is common ground that the original business was started by Derek Bennett, who was a talented racing car engineer and that, from around 1965-1978, his business produced a large number of racing cars (over 500) under the name

CHEVRON. Mr Bennett died in a hang gliding accident in 1978. After his death the business declined.

14. It is also common ground that the original business was conducted through a company called Derek Bennett Engineering Limited, and it does not appear to be disputed that the company was called Chevron Racing Cars Limited by the time it went into liquidation in 1980. It will be evident from the above description of the parties' cases that what happened to the goodwill of the original business after that is hotly disputed.

15. In 1989, Mr Andreason wrote to Vin Malkie Racing (a firm associated with the applicant) complaining that it was manufacturing new Chevron sports cars. In that letter, Mr Andreason claimed that he had purchased the assets of the original business in 1983, including "the sole right to use the name 'Chevron'". The complaint was triggered by a brochure produced and circulated by Vin Malkie Racing, which announced an intention to manufacture a "Vin Malkie Chevron B16 replica". Vin Malkie Racing's solicitors responded by asking for documentary evidence of Mr Andreason's claim to the title of the original business. The skirmishing continued, but no action was taken until 1991.

16. In around August 1991, Mr and Mrs Malkie changed the name of a company they owned to Derek Bennett Engineering Limited (the first name of the original business) and subsequently, in September 1991, advertised a 'Bennett B16' sports car in Autosport magazine. This triggered a claim in the High Court in December 1991 by Chevron Road Cars Limited (a company associated with Mr Andreason's Chevron Cars Limited, the opponent's immediate predecessor in business) against the newly named Derek Bennett Engineering Limited and Mr and Mrs Malkie, alleging infringement of copyright and passing off. Following requests for further and better particulars of the claim, it was struck out in January 1994 as frivolous and vexatious. The claimant did not resist the striking out of the claim. It stated at the time that its decision not to contest the striking out application had been taken on commercial grounds. Chevron Road Cars Limited was subsequently struck off the register and dissolved in April 1994.

17. Earlier, in August 1990, Mr Andreason's Chevron Cars Limited (claimed to be the opponent's predecessor in business) applied to register a logo version of the CHEVRON mark. After two oppositions were resolved (neither connected in any way with these proceedings) the mark was eventually registered in 1997. However, due to a misunderstanding about the renewal process it was not renewed and was removed from the register in 1998.

18. In his statement dated December 2008, Mr Malkie accepts that Mr Andreason's Chevron Cars Limited "carried on business using the [Chevron] name and Chevron mark for a number of years" and that "Whilst Mr Andreason's companies, and [Mr Andreason's Chevron Cars Limited], were in existence they certainly shared part of the market for repair and replacement parts for original Chevron Cars with us but in the last 15 years or so their involvement became less and less in Britain and Europe after Mr Andreason appeared to relocate himself and his activities to United States of America". The extent of the use of the mark 'Chevron' in the UK by Mr Andreason's

Chevron Cars Limited in recent years (particularly after 2003 when the manufacturing business was re-located to Florida) is therefore disputed.

19. The opponent appears to accept that from sometime around the year 2000 (when the applicant registered the Chevron trade mark in its own name), it started to use Chevron in a trade mark sense. It disputes that there was any such use by the applicant prior to that. The opponent also accepts that it knew that the applicant had registered the Chevron trade mark and was using that mark before it purchased the goodwill in Mr Andreason's Chevron Cars Limited in 2007.

THE DISPUTED FACTS

The Opponent's Goodwill and its Claim to be a Successor to the Original Business

20. The opponent relies primarily on the evidence of Laurence Jacobsen to support its claim that the goodwill of the original business passed initially to Mr Jacobsen and two others in 1980. Mr Jacobsen says that he was one of three people who bought "all the rights and title to the original Derek Bennett business including copyright and rights in the name and mark". Exhibited to his witness statement (as 'LJ1') is a copy of a letter dated 24 March 1980 from Leslie Wolfson & Co, solicitors, to Philip Davies & Co, auctioneers. The letter is written on behalf of Mr Jacobsen, a Mr Leslie Cuthbertson and a Mr Robin Smith. It constitutes an offer to buy assets of the original business, which are set out in a schedule. These included various car parts, machine tools and manufacturing equipment, drawings (including those for the B8, B16 and B19) and the "sole rights to the name of Chevron Racing Cars and trade mark" and the "sole rights of production" of cars made by the original business. The offer is addressed to Philip Davies & Co. as agent for the Liquidator.

21. It is clear from copies of subsequent correspondence in the same exhibit that:

- i) The offer was accepted.
- ii) The sale did not include the sole rights of production, the purchasers being assured that the original business would not be producing any further cars.
- iii) There were no registered trade marks.
- iv) There was no express assignment of the goodwill in the original business.
- v) There was no express assignment of an order book.

22. Mr Jacobsen also exhibits a copy of agreement dated 21 May 1980 which purports to assign all the copyright held by the original business to himself, Mr Robin Smith and Doonair Investments Limited (the status of the last named party is not explained).

23. Mr Colin Bennett says that after the liquidators of the original business were called in he became aware that “they were selling everything and anything” and he bought a bed-flat plate for £50. The applicant relies on this as evidence that the original business was not sold as a going concern.

24. It is not clear whether the original business was still trading at the time of the sale. However, the business is unlikely to have ceased trading long before the business went into liquidation and given the long period of trading and the business’s reputation in racing circles it is likely to have retained goodwill at the time of the liquidation. The evidence is far from conclusive and, for reasons which I will come to shortly, I do not find it necessary to decide the matter for present purposes. However, if it had been necessary to do so, I would have held that the terms of the sale of the Chevron name, mark and assets described above passed the goodwill of the original business to Mr Jacobsen, Mr Leslie Cuthbertson and Mr Robin Smith in 1980.

25. Mr Jacobsen says that he ran the Chevron business through Chevron Racing Cars (Scotland) Limited between 1980 and 1983. He says no more about what was done during this period or which names or marks were used. Nor does he explain how the goodwill he says that he and his associates purchased as individuals came to be an asset of the company by the time it was placed in liquidation in 1983.

26. Mr Rankin gives evidence on behalf of the opponent to the effect that as the Liquidator of Chevron Racing Cars (Scotland) Limited, he sold its assets to a company associated with Mr Andreason. Mr Rankin could not recall the name of the company, or the precise year of the sale, or whether there was any express discussion about ownership of the [Chevron] trade mark or logo. Nevertheless, he says that nothing was excluded from the sale (save from some car body moulds that were held by a creditor of the company) and that:

“..whatever right, title and interest (including goodwill) existed in the logo and mark, it was the intention that they should be transferred to the Purchaser”.

27. Mr Andreason’s evidence is that he bought the assets of the Scottish company and moved them to his then place of business in Winchester.

28. Mr Malkie exhibits (as VAM1, page 6) a copy of a letter dated 2 November 1983 from MacRobert Son & Hutchison, solicitors, as agents for Mr Rankin as Liquidator of Chevron Racing Cars (Scotland) Limited. It is addressed to Andreason Racing and Tuning Limited. It is an offer to sell assets of the Scottish company. The assets are listed as being plant and equipment, stock and office furniture, spare parts, jigs, design drawings relating to Chevron Racing Cars, plans and specifications for Sports 2000 and Formula Atlantic racing car projects, and two partly completed cars.

29. There is no express mention of the title to the Chevron name being offered for sale, and no mention of any goodwill. Significantly, the offer states that “the Vendor shall retain the beneficial ownership of the customer list, the order books and all other books and records....”.

30. The applicant points out that Mr Andreason's Chevron Cars Limited relied upon the acceptance of that offer for sale as the basis for its claim to title to the original business in a letter dated 1 February 1990, which threatened the proceedings described in paragraph 16 above. A copy of this letter is included at page 276 of exhibit VAM1 to Mr Malkie's statement.

31. Given the passage of time, I prefer to rely on the contemporaneous papers filed on behalf of the applicant rather than the historical recollections of Mr Rankin and Mr Andreason relied upon by the opponent. The offer for sale did not expressly pass the title or goodwill in the Scottish business to Andreason Racing and Tuning Limited. Further, given that the beneficial ownership of the customer list and order book were excluded from the offer, there is, in my judgement, plainly insufficient ground for concluding that the goodwill was implicitly included in the offer as part of the sale of an on-going business.

32. The original business had self evidently failed by 1980. Mr Andreason's evidence is that by 1982 it was common knowledge in the industry that the Chevron business based in Scotland was also in financial difficulties. Further, I note from a document exhibited to Mr Malkie's statement (page 349 in exhibit VAM1), but prepared by Mr Andreason's Chevron Cars Limited in 2006, that the failure of the Scottish company was attributed to "weak" sales of the (apparently only) car it was offering (a Sports 2000), the cost of developing a new car, and that "the supply of spare parts [for existing Chevrons] proved very difficult from a base some 450 miles from a major international airport". The last point suggests that the customers for the parts business were at that time substantially abroad. All of this points to a company that – at least as far as the UK market was concerned – was effectively defunct by the end of 1983. It is therefore probable that the books of the company were retained by the Liquidator for their worth as records rather than because of their value to an on-going business.

33. I do not consider that these findings are undone by the content of exhibit RA2 to Mr Andreason's statement, which is an extract from the 2007 version of the "Official Chevron Website", then run by Mr and Mrs Malkie. The primary content of these pages simply re-tells the history of the original business, but there was at that time (it has since been removed) an "epilogue" which stated that the stock of the original business was sold to investors in Scotland led by Robin Smith. The epilogue continues that the investors "tried to further the efforts of the company (around 1980)" before "selling their interest to Roger Andreason". It is not clear what the writer meant by "interest". However, there is nothing in the statement which contradicts my finding that there was no sale of an on-going business in 1983.

34. There is no evidence that any assets passed directly from Chevron Racing Cars (Scotland) Limited to Mr Andreason's Chevron Cars Limited. In fact Chevron Cars Limited was not incorporated until March 1984, whereas the opponent claims that title passed in 1983. The evidence shows that assets of the Scottish company were bought by Andreason Racing and Tuning Limited. That company subsequently ceased trading and was dissolved in 1994. There is no explanation as to how any of the assets of Andreason Racing and Tuning Limited passed to Chevron Cars Limited. Accordingly, even if, contrary to my findings, the goodwill of the Scottish

business was sold to Andreason Racing and Tuning Limited in 1983, there is no evidence that Chevron Cars Limited subsequently acquired any such goodwill.

35. In the circumstances described above, I find that the opponent is not entitled to the benefit of any goodwill generated under the sign Chevron prior to the start of the trade conducted by Mr Andreason's Chevron Cars Limited in 1984.

36. Mr Andreason's description of events after the purchase of assets from the Scottish company is as follows:

"Over the next 5 years, we spent substantial time in documenting the jigs, body moulds and drawings that we had purchased from Chevron and other marques. We then turned to design and manufacture. First we updated the Chevron Sports 2000 design that the original Chevron owners had produced in 1979. The new model, designated the Chevron B60A, was an instant success..."

37. Mr Andreason continues that twenty Chevron B60As and Chevron B63s were produced "over the next several years", and that his company also designed a Chevron B61 "several of which were sold for the British Thunder series" and a Chevron B62, which was raced at Le Mans. Mr Andreason's evidence is that other "popular models" were produced and sold, including the "B70 models in 1990" and the "Chevron B71 in 1992". It appears that from around 1992, Mr Andreason's company also started to make racing go-karts, which were also badged as Chevrons. Overall he says that his company produced 170 race cars and karts, including "12 B8s and 12 B16s to the original specifications but with a 'current' chassis plate". Further, he also claims to have produced "a number of Chevron B16s for road use (the B16R) and two B8s (designated the B8R)".

38. Exhibit RA3 to Mr Andreason's statement is said to consist of "representative" correspondence, business papers, invoices, web pages, and other materials and photographs showing use of the Chevron mark. There are a number of photographs of various Chevron racing cars and karts, but none are dated and the mark is not usually visible. It appears from the content of page 68 of the exhibit (I cannot tell what it is) that at some point in the early 1990s, Chevron Cars Limited started to provide a spares and restoration service for another old racing marque – TIGA. There is also some evidence of enquiries from customers about Chevron cars and parts. This includes a copy of a letter dated 3 April 2000 (page 71 of the exhibit) from Mr Andreason to a Roger Heegan, who appears to have enquired about parts for a B8. It is evident from the letter that Mr Heegan was based outside the UK. There is also a copy of an e-mail dated 25 September 2001 from a Jim Toews in California addressed to "The Chevron People" (page 80 of the exhibit) enquiring whether it would be possible to build a road version of the B16S or B19 sports cars. It is not clear what answer he received. There are also copies of 4 invoices. The first is dated 21/8/98. Oddly, it does not carry the name or address of a customer. The invoice (for £100) is for the hire of a Chevron B20 chassis for a classic car event. The second (for £25) is for the sale of a Chevron book to a customer in Copenhagen. The third is dated 15/3/03 (page 82 of the exhibit) and is for the sale of some car parts to a customer in Switzerland. The invoice is on Chevron Cars Limited notepaper, but the individual car parts are not identified by any brand. The fourth

invoice is dated 02/2/04 (page 83 of the exhibit) and is addressed to Chevron-TIGA Cars USA Inc. in Florida. According to Mr Andreason, the manufacturing side of Chevron Cars business was moved to Florida in 2003, but the other Director of the company, Mr Tim Colman, remained in the UK and continued to process orders from the UK and Europe. Accordingly, this last invoice appears to be an internal transaction between two related companies. Further, although produced on Chevron Cars Limited notepaper, it is evident that most of the goods are second hand parts for other marks, such as MG, Lola and Ford. None of these invoices therefore relate to the sale of Chevron cars or car parts to any UK customer.

39. Exhibit RA4 comprises “representative example” of promotional material produced by Mr Andreason’s business. This includes copies of a number of advertisements placed under the trading name Chevron Cars in Autosport magazine. Autosport magazine appears to have an international readership. Some of the later editions in evidence have cover prices in pounds, dollars and other currencies. Quite a number of the advertisements are from 1984. These offer Chevron bodywork for sale. There is a single advertisement dated 23 February 1984, which appears to show Chevron cars designated B60A and B61 were also offered for sale at that time. However, this is only a couple of months after Andreason Racing and Tuning Limited acquired assets from the Scottish company and is actually a month before Mr Andreason’s Chevron Racing Cars Limited was incorporated. Further, this document does not sit easily with Mr Andreason’s description of the development of his company’s car manufacturing business as taking place over a period of years, as recorded at paragraph 36 above. It is, however, possible that one or other of these cars may have been a very rapid development of the partly completed Sports 2000 model purchased from the Scottish company.

40. Exhibit RA4 also includes a copy of an advertisement said to originate from the June 1985 edition of Autosport. The advertisement was placed by a company called Chevron Racing Cars USA Inc., which describes itself as an importer (presumably into the USA) of Chevron B62-B64 sports cars and Chevron spares for models B6-64. The same advertisement also offers two second hand Chevrons for sale with a footnote that they have been restored by Chevron Cars Limited. Page 108 of the exhibit is a copy of another advertisement placed by Chevron Cars Limited in the November 1988 edition of Autosport. It offers spare parts for Chevron models B6-B68 and also announces that “Chevron B68/9, FF1600 and FF2000 cars are now available”. There is a copy of a similar advertisement from 1989. Another advertisement appeared in the January 1990 edition of Autosport offering Chevron parts and restoration services, including export sales. There is further support for the claim that Chevron Cars Limited offered new sports cars for sale in a copy of an advertisement at page 113 of this exhibit, which shows that in January 1991 the company was offering racing cars for sale and planned to launch a road going version of the Chevron B16 (the B16R) at the 1991 Tokyo Motor Show. The final advertisement for a Chevron car in evidence is for a Chevron B8, which appears to have been promoted by a Mr Lester Owen, but which is recorded as having been built in conjunction with Chevron Cars Limited for the 1992 Historic Replica Series (which I take to be some sort of show or event). This is consistent with Mr Andreason’s evidence that “on occasion, we also licensed/collaborated with other manufacturers to produce updated or modified versions of the classic Chevron models”.

41. There are only a couple of examples in evidence of advertisements by Chevron Cars Limited after 1992. There are examples of entries in the RACMSA Handbook for 1998 and 1999, which indicate that Chevron Cars Limited was at that time selling new racing go-karts under the Chevron mark. The final advertisement of any note is at page 120 of exhibit RA4. It is not clear where it was placed. It carries a handwritten date of 2003, which is around the time that Mr Andreason says that the manufacturing side of Chevron Cars Limited's business was moved to Florida. This advertisement offered Chevron parts for sale. The noteworthy thing about it is that the advertisement appears to have been created on behalf of a company called Chevron-Tiga Cars Inc., which is proclaimed as "The only true source of genuine Chevron and Tiga spare parts". Chevron Cars Limited is also mentioned, but only as the address for UK and European enquiries. The inclusion of this address suggests that the advertisement was intended to be placed somewhere where it would be seen by both a US and European readership.

42. Exhibits RA5-8 to Mr Andreason's statement consist of promotional materials specifically relating to the Chevron B8, B16 and B19 models. The first of these exhibits includes a brochure for a Chevron B16R road going car. This appears to be the car that was to be promoted at the Tokyo motor show in 1991. The brochure was issued by Chevron Road Cars Limited (the company that issued a writ against the Malkies in 1991, rather than Chevron Cars Limited). Exhibit RA6 includes a copy of an article from Autosport magazine dated April 1992, which records that Scott Ellis Racing Limited and L H Owen Automotive had launched two new versions of the Chevron B8, which had been built under licence from Chevron Cars. Exhibit RA7 includes a one page brochure for a Chevron B16. It was issued by Chevron Cars Limited and carries an address near Dorchester where Mr Andreason says the company moved to in 1992. There are also copies of a few e-mail enquiries sent to Mr Andreason's Chevron Cars in 2001 asking about cars or parts. All of these enquiries are from the USA or Germany. Exhibit RA8 does not add much to the above. It includes a copy of an enquiry for Chevron B19 parts sent to Chevron Cars Limited in 2000 by someone from Monaco. The reply confirms that the company were still providing spare parts at that time.

43. Mr Malkie's evidence includes copies of accounts filed at Companies House by Mr Andreason's Chevron Cars Limited. The latest ones cover the year ending on 29 February 2004. These show that Chevron Cars Limited made a small loss that year (around £5k) compared to a small profit the year before (£11k). The business was clearly trading in only a very small way at that time. Mr Malkie also gives evidence that during 2006 he became aware from an advertisement in Autosport that Mr Andreason's Chevron Cars Limited was offering to sell some tools, jigs and moulds. He asked for further particulars and received a document from Chevron Cars Limited setting out what they were trying to sell. A copy of this document is included at page 346 of exhibit VAM1 to his statement. The document is dated July 2006. The assets are described as being those of Chevron cars Limited, but this appears to be on the basis that "the assets of Chevron-TIGA Race Cars Inc. are ultimately owned by Chevron Cars Limited", i.e. that the UK company somehow owned the assets of the business in the USA. The relevant assets are listed as being drawings, moulds, information and know how about old Chevron cars, a chassis register, and spare parts. There is also an offer to sell the order book and a note that "a number of

significant orders are in place or under negotiation". The absence of any complete cars in the assets is explained by the following extract from the offer to sell.

"In 1992 the Directors took the decision that they would no longer design and develop new race cars at their own expense and would concentrate on the restoration of existing cars, the supply of spare parts, the design of new cars against specific orders and race preparation.

That decision ensured the profitable trading of Chevron until the present day. It should be noted that around 660 Chevron race cars have been built in total, giving a substantial spare parts market potential.

In January 2003, Chevron was moved to the current premises in Jupiter, Florida. The reason for the move was that the international marketplace was changing, and an increasing number of clients were based in the USA."

44. Mr Jacobsen (who it will be remembered was one of the owners of the Scottish business and is a car racing enthusiast) gives evidence that "Mr Andreason's Chevron company continued to trade in and under the Chevron marks up until very recently, when the business was acquired by Chris Smith" (emphasis added). Mr Jacobsen's statement is dated June 2008. In fact the opponent claims to have acquired the business conducted by Chevron Cars Limited some sixteen months earlier in February 2007. So Mr Jacobsen's understanding of the length of Mr Andreason's Chevron business is not entirely reliable. However, it provides some support for the claim that Mr Andreason's company continued to enjoy a reputation amongst members of the relevant public in the UK.

45. Mrs Malkie gives evidence that on 15 June 2006, Mr Andreason and the other Director of Chevron Cars Limited, Mr Tim Colman, applied under s.652 of the Companies Act for Chevron Cars Limited to be struck off the register. A copy of the application is included in exhibit HKB-M1 to Mrs Malkie's statement. The application includes a statement that the company had not traded or otherwise carried on business in the previous 3 months. The form includes a warning pointing out that the consequence of dissolution through this procedure is that any remaining assets will be passed to the Crown. This application was made the month before the Directors issued the offer to sell the business, as described above. In the event, the application for striking off was not pursued at that time, presumably because the owners realised shortly after making it that the UK company still owned something worth selling. This would be consistent with the preamble to the offer, which states that the Directors had been approached by race shops in the UK and USA regarding potential interest in buying the company. Nevertheless, the application to strike the company off is strong evidence that Mr Andreason's Chevron Cars Limited was not trading in 2006.

46. My conclusions on this evidence are as follows:

- i) Chevron Cars Limited carried on a trade in the UK under the name Chevron Cars supplying spare parts for Chevron race cars from 1984 until at least 2004.

- ii) That for a period beginning sometime after 1984, and ending in 1992, it also produced a number of new race cars which it offered for sale under the mark Chevron. The number of vehicles concerned is unlikely to be as high as the figure of 170 stated in Mr Andreason's evidence because this figure includes go-karts, which are irrelevant for present purposes for the reason described at paragraph 50 below. Nevertheless, judging from the number of different model designations used for race cars, the number produced is likely to have been dozens, and could have been as many as 100.
- iii) Around 1991, Chevron Cars Limited, initially through a related company probably formed for this purpose – Chevron Road Cars Limited – attempted to launch a road going version of the Chevron B16. This and further attempts to launch road going versions of the B8 and B16 in collaboration with third parties appear to have failed. At least, there is no evidence that any were sold to anyone in the UK.
- iv) From at least as early as 1985, it is clear that part of Chevron Cars Limited's market was in the USA. This appears to have been a developing trend so that, by 2003, the USA accounted for such a proportion of Chevron Cars Limited's customers that the manufacturing side of the business was moved to the USA.
- v) Although there is no documentary evidence that Chevron Cars Limited sold a single Chevron part or car to anyone in the UK, and the business appears at all material times to have had a distinctly international flavour, on the balance of probability at least some of the new cars produced up until 1992 must have been sold to UK customers. Similarly, on the balance of probabilities the parts side of the business must have had UK customers during the 1980s and 1990s.
- vi) Given that:
 - a) the market for the Chevron parts business was limited to those who owned the 660 cars in existence,
 - b) Chevron Cars Limited was not the only supplier of parts to that market,
 - c) that the business was moved to the USA in 2003 to be nearer to the bulk of its customers,

it seems unlikely that Chevron Cars Limited had more than a small number of UK customers for Chevron parts in the period leading up to the move of the business to Florida in 2003.

- vii) The company advertised an address in the UK for UK and European enquiries for parts around the time of the move of the manufacturing business to Florida in 2003, and one of the two Directors remained in the UK.

- viii) It is likely that the business in the USA was conducted through Chevron–Tiga Cars Inc.
- ix) Chevron Cars Limited had ceased trading altogether by 2006.

47. It is argued on behalf of the applicant that there is a further break in the chain of title which means that Chevron Cars Limited was not the owner of the goodwill generated by that business prior to 1991. In short, the writ issued by Chevron Road Cars Limited in 1991 claimed that Chevron Cars Limited was a predecessor in title. In response to the request for further and better particulars of the claim, the plaintiff filed the rather ambiguous response that it had acquired “all such rights as are material in the present proceedings including the right to bring proceedings for passing off...”. It claimed to have acquired this right “by an agreement and evidenced by a resolution of Chevron Cars Limited in favour of [the plaintiff]”. A copy of the response is included at page 311 of exhibit VAM1 to Mr Malkie’s statement. However, the precise terms of the resolution in question are not included.

48. Mr Andreason’s evidence is that there was no sale of the business. Chevron Road Cars Limited was merely granted a licence.

49. Despite the statements made in 1992, I find that there was no transfer of the goodwill in the business to Chevron Road Cars Limited. It is clear that despite the resolution referred to above, Chevron Cars Limited simply carried on trading in 1992 in relation to parts for racing cars and restorations. It is difficult to believe that there was ever any intention to sell the goodwill in that business to a company called Chevron Road Cars Limited. It is much more likely that that company was established as the vehicle to develop the new business in road going versions of the racing cars, which was in prospect at that time. Given that there was no trade mark, the “licence” could have been no more than an agreement by Chevron Cars Limited to refrain from taking the action that it could otherwise have taken as the owner of the goodwill in the racing cars business – to sue for passing off. As the road car business does not appear to have gotten off the ground, any goodwill generated by that business is irrelevant. I therefore turn to the next relevant matter in the chain of title – the sale of the assets of Mr Andreason’s Chevron Cars Limited to the opponent in early 2007.

50. The Deed of Assignment between Mr Andreason’s Chevron Cars Limited and the opponent (then called Gridbase Limited) is dated 20 February 2007. A copy of it comprises exhibit CKS7 to Mr Smith’s second witness statement. The business assigned is defined as being “...manufacturing and selling classic cars and parts therefore (sic) branded as ‘Chevron’”. The sale included the goodwill in the business and the stock. The relevant stock included a small amount (20 plastic boxes) of parts for Chevron racing cars and body mouldings for 22 types of Chevron racing cars. Just two of these mouldings related to racing cars that Mr Andreason says that he designed. The other 20 relate to cars produced by the original business. The deed warrants that Chevron Racing Cars Limited had no employees, which is consistent with my finding that it was not trading at that time. The business sold to the opponent did not include the production of go-kart racers or any goodwill generated by that side of Chevron Cars Limited’s earlier business, presumably because there was none or it was of no interest to the purchaser.

51. Mr Andreason's evidence is that Chevron Cars Limited operated until 2006. Mr and Mrs Malkie's evidence does not appear to directly contradict that evidence. Mr Malkie appears to accept that his businesses shared the market for replacement parts for Chevron racing cars with Mr Andreason's Chevron Cars Limited, whilst that company existed. His evidence is that Chevron Cars Limited share of the British and European market for Chevron parts became smaller and smaller, particularly after the move of the business to Florida in 2003 (see paragraph 18 above). The evidence as a whole therefore points to Chevron Cars Limited retaining a UK business for some time after the move of the manufacturing side of the business to Florida in 2003, but that the company had ceased trading by early in 2006. Nevertheless, the nature of the racing car business and Chevron's reputation amongst racing enthusiasts in the UK probably meant that at the date of the assignment to the opponent in 2007, Mr Andreason's Chevron Cars Limited retained a residual goodwill in the UK in relation to the lengthy period during which it was associated with the Chevron mark. This is consistent with the preamble to the 2006 offer for sale which records that the Directors had been approached about a sale by race teams in the US and the UK.

52. It is arguable that the application made in June 2006 to have the UK company struck off the register amounted to a public declaration that the UK business would not be revived, and therefore amounted to an abandonment of the goodwill of the UK business. However, the public offer made the following month in the UK to sell the assets of the business sent a different message. Properly analysed, I believe that this amounted to an offer to sell the US business, and the goodwill associated with it (including the order book), along with the residual goodwill of the UK business. I find that the nature and timing of this offer was sufficient to counter the strong implication given by the slightly earlier request for striking off that the goodwill in the UK business had been abandoned. There is no reason why, in principle, the residual goodwill in a business cannot be assigned to another party. See, for example, *Ad-Lib Club Ltd v Granville* [1972] RPC 673 at page 677 and *Star Industrial Co. Ltd v Yap Kwee Kor* [1976] FSR 268 at page 270. Consequently, I find that the 2007 deed of assignment effectively transferred the residual goodwill in the earlier UK Chevron business of producing racing cars, and the more recently concluded UK business of providing spare parts for Chevron racing cars, to the opponent.

The Applicant's Goodwill under the Chevron mark

53. Mr Malkie and his wife own and run a number of companies beside the applicant (which was formed in 1995) and Derek Bennett Engineering Limited (which was formed in 1992). The other companies are Chevron Racing Limited (which was incorporated in 2002 and is recorded at Companies House as having being dormant in 2007) and Chevron Racing Cars Limited (which was incorporated in 2003). Mr and Mrs Malkie also trade under the name Vin Malkie Racing, which Mr Malkie says is a partnership.

54. At one time Mr Malkie worked for the original business. He is also a racing driver and enthusiast. It is common ground that one of his businesses (not the applicant) was offering a Chevron B16 replica for sale in 1989. After a complaint from one of Mr Andreason's companies, the branding of Mr Malkie's car seems to have been changed to BENNETT B16. It remained a replica of a Chevron B16. This illustrates

the need to distinguish between claims to have produced and sold replica Chevron cars and parts for Chevron racing cars, and claims to have sold such goods under the marks at issue.

55. In his statement dated 10 December 2008, Mr Malkie describes his use of the marks applied for like this:

“Insofar as the mark CHEVRON B16 is concerned I have for many years been engaged in the repair and operation of vehicles originally manufactured by [the original business] and designated model B16. I have built sold and operated cars to the similar designs and specifications and called them CHEVRON B16 cars. I have a set of technical drawings for the original B16 given to me by Derek Bennett for my use with implicit licence to produce from them any and all the component parts thereof.

When I first produced my B16 I called it a Chevron B16 replica then changed it to a Bennett B16 because of concerns expressed by [Chevron Cars Limited]. Since the demise of [Mr Andreason’s] Chevron Road Cars Limited [in 1994 – emphasis added] I have reverted to using the name Chevron B16.

I would mention that there have been others apart from us (who produced six cars in the 1990s) and Mr Andreason (as Chevron Road Cars Limited who produced two cars) engaged in production of car styled after the original B16. Neil Bailey produced one in 1992 as Red Rose B16B and Robin Smith produced one which he called a Chevron B16 Replica. The cars we built were designed to take part in Replica Car racing and the countries of residence of the purchasers from us were Switzerland, Japan, England, Belgium and the United States of America.

The B16 is a GT car and we have built about 8 of these in the last couple of years. Overall I think that we have built and sold more than 20 of this model of car. We produce and supply the component parts for these cars including the chassis and body parts.

The B16 is very amenable to being used as a road car and it was my original idea with the Bennett B16 in 1990 for it to be built and used as a road car which could also be used on the track. Since FIA changed their rules in relation to historic cars there is an increased demand for B8, B16 and B19 models.”

56. Mr Malkie gives similar evidence in relation to the B8 and B19 models, except that the only indication provided as to the number of such cars produced is that “at least” 6 B8s were built “in the last few years” and that “a couple” of B19 cars were built (it is even less clear when). It will be evident from the above extract that Mr Malkie has not been very successful at distinguishing between his use of the mark Chevron for the purpose of identifying the trade source of his companies’ goods, and the use of the name Chevron merely to designate cars as replicas of the original Chevron racing cars. The most concrete part of his evidence is that one or other of his companies produced six Chevron B16 style cars in the 1990s and that after the demise of Chevron Road Cars Limited (in 1994) he “reverted” to calling these the

Chevron B16. This is consistent with the incorporation of the applicant – Chevron Racing Team Limited – in 1995. Even so it is not clear whether the Chevron name was used at this time to distinguish the trade source of the cars or simply to identify them for what they were - replicas of the Chevron B16. In this connection, I note that the brochure which triggered the first complaint from one of Mr Andreason’s companies in 1989 featured a “Chevron B16 replica” but identified the source of the goods as “Vin Malkie Racing”. I also note that only one of the replica cars sold during the 1990s was sold to a customer in the UK. Absent any promotion of the mark in the UK at that time (of which there is no evidence) any goodwill that was generated in the UK by this activity would have been negligible.

57. Mr Malkie states that his company has exhibited complete cars at various motoring events. He provides (at page 396 to exhibit VAM1) a picture of a stand at the International Historic Motor Show 2004, which shows a Chevron B16 under the name Chevron Racing Limited. Also included (at page 421) is a copy of an article (it is not clear where it appeared) about the 40th anniversary of Chevron cars and various events organised by Mr and Mrs Malkie to mark the occasion. This includes the display of a restored Chevron B1 on the “Chevron Racing” stand at the 2005 International Historic Motorsports Show at Stoneleigh, UK. The article finishes that:

“Chevron Racing Ltd, the company run by former works engineer Vin Malkie, continues to supply parts for all cars up to the B46, restoration services and race preparations. Parts from a single bolt to a complete car are available, with bodywork produced in-house.”

58. In support of his claim to supply Chevron parts, Mr Malkie exhibits (as pages 378-382, 399-404 and 410-414 of exhibit VAM1) copies of invoices for such parts. In each case, the invoice carries the name “VIN MALKIE RACING & CHEVRON RACING CARS LTD”. The Chevron logo is also prominent. In each case the name and address of the customer (except for the place name) is redacted. Mr Vin Malkie says that this is to prevent the opponent approaching his customers. Most of the customers appear to be resident in the UK. The earliest invoices are dated early in 2004. A few date from 2008, which is after the date of these applications and these are therefore irrelevant. The parts are listed against the names CHEVRON B8, CHEVRON B16 and CHEVRON B19. The invoices are for hundreds, or in some cases thousands, of pounds worth of parts.

59. Mr Andreason also provides some evidence that is relevant to the applicant’s claimed goodwill. Exhibit RA10 to Mr Andreason’s statement includes a letter dated 31 July 2003 addressed to the Patent Office. It complains about the registration of the Chevron mark in 2000 by Mr Malkie’s Chevron Racing Team Limited. The letter notes that this was causing Mr Andreason’s Chevron Cars Limited a major problem “not least the ongoing ‘passing off’ of parts and even complete cars by Chevron Racing Team Limited as being true Chevron products”. Even so, Mr Andreason made no application to invalidate the offending trade mark registration, despite the possibility of such proceedings being pointed out to him in the Office’s reply.

60. My conclusions on the disputed facts around the applicant's use of Chevron are that:

- i) Vin Malkie Racing/Chevron Racing Cars Limited/the applicant provided parts for Chevron racing cars from at least as early as 2003 and under the specific marks applied for from at least as early as 2004, most of which were sold to UK customers.
- ii) Chevron Racing Cars also produced a small number of complete Chevron B8 and Chevron B16 racing cars prior to the dates of the applications (from at least as early as 2003 in the case of the B16), which carried those marks in order to distinguish their trade source. The majority of these cars were probably sold in the period 2006-2008 after changes to FIA rules lead to renewed demand for "new" replica racing cars.
- iii) There is no direct evidence that any of these racing cars were sold to customers in the UK, but given the locations of the customers for parts, most probably were.
- iv) The likelihood is that all the uses of the Chevron mark described in 1-4 above by firms related to the applicant, were with the consent of the applicant as the holder of the registered Chevron trade mark, and that the applicant is therefore entitled to the benefit of this use and a share of any goodwill generated by it.

THE LAW OF PASSING OFF

61. Section 5(4) of the Act states that 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, or
 - b) by virtue of an earlier right other than those referred to in subsections (1) to (3) above or paragraph (a) above, in particular by virtue of the law of copyright, design right or registered designs."

62. The requirements to succeed in a passing off action are well established and are summarised in *Halbury's Laws of England* 4th Ed. as being that:

- i) the claimant's goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;
- ii) there is a misrepresentation by the defendant (whether or not intentional) which is likely to deceive the public into believing that the defendant's goods or services are those of the claimant; and
- iii) the claimant has suffered or is likely to suffer damage as a result of the erroneous belief created by the defendant's misrepresentation.

63. Both parties claim to have acquired a relevant goodwill prior to the date of the opposed applications. The following summary of the applicable law in this situation is taken from the judgment of Mr Geoffrey Hobbs QC as The Appointed Person in *Croom's Application* [2005] RPC 2.

“When rival claims are raised with regard to the right to use a trade mark, the rights of the rival claimants fall to be resolved on the basis that within the area of conflict:

- (a) the senior user prevails over the junior user;
- (b) the junior user cannot deny the senior user's rights;
- (c) the senior user can challenge the junior user unless and until it is inequitable for him to do so.”

64. The applicant's registration of the mark CHEVRON in 2000 might also be thought to have a bearing on the opponent's claim to be able to rely on any goodwill generated in the UK by its use of CHEVRON marks after that date. However, the law is that, subject to statutory acquiescence under s.48 of the Act (which I deal with briefly below), trade mark law has no bearing on the assertion of a passing off right: see *Inter Lotto (UK) Ltd v. Camelot Group Plc* [2004] RPC 9. Consequently, I need not concern myself with the fact that any use of the CHEVRON mark relied upon by the opponent from the year 2000 onwards was *prima facie* an infringement of the applicant's existing trade mark registrations.

65. There is one further point of law that must be clarified before I return to the facts - the relevant date for the purposes of a s.5(4)(a) claim. It is common ground that the date of the commencement of the activity complained of - the applicant's use of Chevron as a trade mark - is a relevant date. I agree that this is a relevant date, but not the only relevant date. Section 5(4)(a) is intended to give effect to article 4(4)(b) of Directive 2008/95/EC (originally 89/104/EEC) and the national law must therefore be applied, so far as possible, in accordance with the underlying Directive. Article 4(4)(b) is as follows:

“Any Member State may...provide that a trade mark shall not be registered or, if registered, shall be liable to be declared invalid where, and to the extent that:

- (a) -
- (b) 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, and that nonregistered, trade mark or other sign confers on its proprietor the right to prohibit the use of a subsequent trade mark.”

66. It seems clear from this provision that in order for such an objection to succeed the proprietor of the unregistered trade mark must have been in a position to prohibit the use of the trade mark for which registration is sought at the date of the application. See, by analogy, paragraph 51 of the judgment of the Court of First Instance in Joined cases T-114/07 and 115/07, *Last Minute Network Ltd v OHIM*. It is true that under national law the opponent could not have succeeded at the date of the applications if it could not also have succeeded at the date of commencement of the applicant's use of Chevron as a trade mark. However, as the above description of the case law illustrates, the converse is possible. A right that originally existed may no longer have been enforceable as at the date of the applications. The

opponent's representative invites me to infer (in paragraphs 26-29 of its written submissions) that the use complained about started in "about 2000" when the applicant also applied to register the Chevron mark. I have found no earlier use by the applicant of Chevron as a trade mark. Consequently, I will adopt the opponent's position on this point. The relevant questions are therefore as follows:

- i) Was the opponent's predecessor in business in a position to prohibit the applicant from using the marks applied for in the year 2000?
- ii) Was the opponent also in a position to prohibit the applicant from using the marks at the date of the applications on 7 August 2007?

DECISION

67. Based on my earlier conclusions as to the facts, I find that the opponent is entitled to be considered to be the senior user of the Chevron mark. The most distinctive feature of the opposed marks is the word Chevron. Further, the parties are trading in the same goods. The answer to the first question set out in the preceding paragraph therefore depends heavily on whether the opponent's predecessor in business had sufficient goodwill in the UK in 2000 in order to found a passing off action. If it did, damage would usually be inferred in these circumstances.

68. Although the UK business of the opponent's predecessor in title was plainly in decline by 2000, I find that the opponent's predecessor was likely to have had sufficient goodwill under the Chevron mark amongst UK customers for racing car parts and associated restoration services that it would have succeeded in a passing off action brought at that time. Consequently, I would answer the first question positively.

69. The answer to the second question posed in paragraph 66 turns on whether:

- i) The opponent owned sufficient goodwill under the mark CHEVRON in the UK to bring a passing off action in August 2007 and, if so;
- ii) Whether the applicant's use of the opposed marks would cause the opponent damage and, if so;
- iii) Whether it was no longer equitable for the opponent to oppose the applicant's use.

70. There is no evidence that the opponent itself generated any goodwill under the Chevron mark prior to the date of the applications. I have carefully considered whether the goodwill that the opponent purchased in 2007 was sufficient to found a passing off action in the UK. I regard it as highly relevant that Mr Andreason's Chevron Cars Limited does not appear to have abandoned its UK business at the time of the move to Florida in 2003. In these circumstances, I find that even though the UK business had ceased by 2006, within the limited and specialised market under consideration, the residual goodwill situated in the UK that the opponent purchased in 2007 was sufficient to be protected under the law of passing off.

71. The applicant's use of the marks at issue would plainly have been damaging to the opponent's goodwill by diverting trade and therefore making it more difficult for the opponent to revive the UK business.

72. I therefore turn to the final question of whether it was equitable for the opponent to oppose the applicant's use in August 2007. The opponent appears to have been trading to some extent or another under the Chevron mark for around 7 years by that time. It seems tolerably clear that the applicant had sufficient business under the Chevron mark by 2003 to cause the opponent's predecessor in business to complain about the damage that it was doing to its business. There was, therefore, a period of at least 4 years in which the applicant and/or other businesses within the same group, were engaged in a commercially significant trade under the Chevron mark prior to August 2007.

73. The applicant says that it is now too late for the opponent to object to the continued use of Chevron marks. In this connection, the applicant invites me to attach weight to the opponent's predecessor's knowledge of its use of the Chevron mark supposedly dating back to the period 1989-94. This appears to form the cornerstone of its claim of delay acquiescence. However, I see no substance in this point. This is because, inter alia, the evidence shows that the mark at the centre of the earlier dispute was in fact a different mark - BENNETT B16. The outcome of the complaint into the use of that mark is self evidently irrelevant to these oppositions.

74. Further, there is no evidence that the applicant ever changed its position as a result of a) the delay in the opponent's predecessor in business taking action to prevent the applicant's use of Chevron, or b) the move of the manufacturing side of its business to the USA, or c) the subsequent application to have the UK company struck off the register. The applicant was already trading under the Chevron mark before b) and c) happened. The applicant's true motivation for trading under the Chevron mark is apparent from the extract from the applicant's web site in exhibit RA2 to Mr Malkie's statement. This indicates that the applicant became aware in 2000 that Mr Andreason's registration of Chevron Cars Limited had lapsed and it (wrongly) took this to mean that the mark was therefore in the public domain. Given these facts, I do not believe that it would have been unconscionable for the opponent to object to the applicant's use of the opposed marks in August 2007. Consequently, there is no estoppel through acquiescence

75. I also reject the applicant's reliance on statutory acquiescence under s.48 of the Act, which was raised for the first time in its written submissions. I have two reasons for doing so. First and foremost, the point was not pleaded. Second, the evidence does not establish that the opponent's predecessor in business became aware of the applicant's use of Chevron as a trade mark until 2003, less than five prior to the date of the applications and therefore an insufficient period to activate a potential defence under s.48. There may be a third problem with this point. The oppositions are directed at the marks applied for and not the applicant's existing registrations of Chevron marks. The opposed marks are obviously not yet registered. Consequently, if it is a requirement for the opponent's acquiescence to the applicant's use to be concurrent with the applicant's registration of the subject marks, then the point is a bad one for that reason too. I am aware that the Court of Appeal has recently asked the European Court of Justice ("ECJ") to make a preliminary ruling on exactly that

point of law in the latest saga of the *Budweiser* litigation. However, as the defence is plainly unavailable here for other reasons, there is no need to wait for the ECJ's answer.

76. Accordingly, I find that the s.5(4)(a) objection is made out so far as the registration of the marks for racing cars and parts is concerned. As all the terms in the specification are capable of covering these goods, the s.5(4)(a) objection succeeds against the application as a whole.

77. I can dispose very quickly with the opponent's opposition under s.5(4)(b) of the Act based on the claimed copyright in the Chevron logo. The marks applied for are plain words and the ownership of the copyright in the logo is therefore manifestly irrelevant. This ground fails for this reason alone without it being necessary to examine the ownership of the copyright in question.

78. The s.5(4)(a) ground having succeeded, the applications are rejected.

COSTS

79. The oppositions having succeeded, the opponent is entitled to a contribution towards its costs. The oppositions cover essentially one issue x 3. The same evidence was filed in each case. I will take this into account in deciding on the appropriate level of costs from the published scale.

80. I order the applicant to pay the opponent the sum of £2800. This consists of:

- i) £900 for filing the notices of opposition and reviewing the counterstatements.
- ii) £1000 for filing the opponent's evidence.
- iii) £500 for reviewing the applicant's evidence.
- iv) £400 for preparing the opponent's written submissions.

81. The above sum to be paid within 7 days of the end of the period allowed for appeal.

Dated this 25th Day of November 2009

**Allan James
For the Registrar**