

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO. 2185496
BY MOTORAIL LIMITED TO REGISTER
A TRADE MARK IN CLASS 39**

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER NO. 49882 BY RAIL EUROPE LIMITED**

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**IN THE MATTER OF Application No. 2185496
BY Motorail Limited to register
a trade mark in Class 39**

and

**IN THE MATTER OF Opposition thereto
under No. 49882 by Rail Europe Limited**

BACKGROUND

On 31 December 1998 Motorail Limited of The Gate House, Knowle Lane, Cranleigh, Surrey, GU6 8RD, applied to register the trade mark shown below:



(The applicant claims the colours Pantone blue 072 and Pantone Warm Red as an element of the mark)

for the following specification of services:

Class 39

Transportation of vehicles by rail.

The application, numbered 2185496, was published for opposition purposes on 17 March 1999.

On 16 June 1999 Rail Europe Limited filed notice of opposition to this application. In summary, the grounds of opposition are:

1. Under Section 5(2)(b) in that the opponents have made substantial use of the trade mark MOTORAIL in the United Kingdom in relation to the services since a date prior to the application date
- 5 2. Under Section 5(4) in that use of the mark applied for would be prevented by virtue of the law of "passing off"
- 10 3. Under Section 6(1)(c) in that the opponent was entitled to claim protection for the trade mark MOTORAIL as a well-known trade mark under the Paris Convention.

On 22 September 1999 the applicants filed a counterstatement denying the grounds of opposition.

15 Both sides seek an award of costs.

The opponents have filed evidence but neither party has asked to be heard. Acting on behalf of the Registrar and after a careful study of the papers I give this decision.

20 **OPPONENTS' EVIDENCE**

This consists of a statutory declaration, dated 25 January 2000, by Mr Peter Mills who says he is the Media Relations Manager of Rail Europe Limited, French Railways House, 179 Piccadilly, London W1V 0BA (the opponents) whose ultimate parent company is Société Nationale des Chemins de fer Français. He says his duties include responsibility for advertising the Company's products, brochure production, sales promotion and media relations.

Mr Mills says that substantial use has been made of their mark in relation to the provision of car carrying train services in France, first use being in 1957. He says the name MOTORAIL was adopted for the services in or around 1974 and the services have been marketed in Great Britain by his company or its predecessor French Railways Limited, another subsidiary of Société Nationale des Chemins de fer Français. Summer and Winter editions of a brochure promoting their mark have been produced. Total expenditure relating to the publication of these brochures over the years is estimated at £250,000.

Exhibit PM1 shows publications entitled "French Motorail" for the years 1983 to 1985, 1985/86, 1988 and 1988/89. Exhibit PM2 shows a brochure of advance information entitled "Motorail Services Summer 1980" and Exhibit PM3 shows brochures entitled "Motorail for Motorists" for 1989/90 and 1990. Exhibit PM4 shows brochures entitled "Rail Europe" for 1999 and 1999/2000 (ie. after the filing date of the applicants' mark).

Mr Mills goes on to say that advertisements were placed in newspapers and magazines in Great Britain to promote their mark and in 1995 a television commercial to promote their mark was produced and shown on Channel 4 and Cable TV. This, together with a poster campaign which ran on London buses resulted in expenditure of £1 million being incurred. This figure includes the "Rail Shop" campaign which included reference to the mark

MOTORAIL. Mr Mills also refers to numerous press releases and press trips for journalists which resulted in estimated expenditure of £150,000. He says the mark has also featured in a magazine produced by his company and its predecessors, originally known as "Top Rail" and later as "Rail Europe" magazine, published between 1991 and 1998 on a quarterly basis.

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That concludes my review of the evidence.

DECISION

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The opponents refer to Section 5(4) of the Act first in their Statement of Grounds and I assume, therefore, that they rely on this ground and the law of passing off, in particular. I will, therefore, address this ground first. The relevant section reads as follows:

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

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or

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(b)

a person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of an "earlier right" in relation to the trade mark."

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Mr Geoffrey Hobbs QC set out the basis of an action for passing off in WILD CHILD trade mark 1998 RPC 455:

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"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 and 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:

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"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.

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(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

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(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.

5 The restatement of the elements of passing off in the form of this classical
trinity has been preferred as providing greater assistance in analysis and
decision than the formulation of the elements of the action previously expressed
by the House. This latest statement, like the House's previous statement,
10 should not, however, be treated as akin to a statutory definition or as if the
words used by the House constitute an exhaustive literal definition of 'passing
off', and in particular should not be used to exclude from the ambit of the tort
recognised forms of the action for passing off which were not under
consideration on the facts before the House."

15 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:

15 "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:

- 20 (1) that a name, mark or other distinctive feature used by the
plaintiff has acquired a reputation among a relevant class of
person: and
- 25 (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.

30 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.

35 In arriving at the conclusion of fact as to whether deception or confusion is
likely, the court will have regard to:

- 40 (a) the nature and extent of the reputation relied upon;
- (b) the closeness or otherwise of the respective fields or activity in
which the plaintiff and defendant carry on business;
- 45 (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."

5 It is clear from the above that the opponents must establish goodwill in the UK. The case for
the opponents' goodwill in the mark MOTORAIL relies on its reputation in the UK as
established by use of the mark by the opponents for a train service which carries cars as well
as passengers. The evidence filed by Mr Mills indicates that his company produced a number
of brochures and advertisements over the years referring to MOTORAIL. The services
10 promoted by the opponents appear, from the evidence, to be offered exclusively in France.
UK customers can e.g. book through the opponents to travel by ferry to French ports such as
Calais, Boulogne or Dieppe where they can transfer to a "Motorail terminal". The train will
then carry the car to destinations further south in France, at the same time providing
accommodation and food for the passengers who travel aboard the same train. Similar
15 services are also available from e.g. Paris to Lisbon, Madrid, Milan or Munich or from
Boulogne to Milan as well, of course, as the return trip.

The fact that the services appear to be offered exclusively in France is not, in itself, fatal to the
opponents' case. If they can establish that they have customers in the UK and therefore have a
20 business generating goodwill in the UK this may provide the foundation for an action. "The
Law of Passing Off" a publication by Christopher Wadlow, second edition, at paragraph 2.32
says -

25 "The test for whether a foreign plaintiff may succeed in a passing-off action is normally
stated in terms of whether his business has a goodwill in England. This criterion is
broader than obsolete statements that the plaintiff must have a business or place of
business in England. Provided there are customers or ultimate consumers for the
plaintiff's goods or services in England then the plaintiff stands in the same position as
a domestic trader. It is of no importance whether the foreign plaintiff conducts his
30 English business directly or through intermediaries of whatever legal status, nor
whether his terms of trade provide for his goods to be sold in England in the sense of
property in them passing to the buyer here."

35 On the basis of the information provided in the evidence it is fair to say that a significant sum
has been spent on promoting the services. However, the precise number of brochures and the
coverage of the advertisements and other promotions is not provided. In particular, there is
no indication of the number of UK customers who have responded or used the services
provided in France. Therefore, it is difficult to establish what impact this has had and what, if
any, goodwill exists in the mark MOTORAIL in the UK.

40 The mark MOTORAIL, in any case, appears to be a coalescing of the two words MOTOR
and RAIL and is, in my view, a weak mark as it appears an entirely apt way to describe the
nature of the service. Furthermore, there is no evidence that customers or the trade recognise
MOTORAIL as a sole badge of trade origin under which the opponents trade, as opposed to
45 more obvious indicia such as SNCF or even Rail Europe (stylised) as shown in the brochures
provided. Nevertheless, descriptive marks can found a passing off action. In considering such
marks the previously mentioned publication by Christopher Wadlow says, at paragraph 6.25 -

5 "A mark which is prima facie descriptive will only be protected if it can be shown to have acquired secondary meaning: that is to say, if it has become distinctive of the plaintiff. Of course, distinctiveness is an essential precondition for all marks, whether descriptive or "fancy", but the burden of proof is significantly higher for prima facie descriptive terms."

And at paragraph 6.28 -

10 "As an entirely separate matter, a trader who chooses to use a name or mark which is prima facie descriptive of his goods, services or business runs the risk that the public will continue to use the term in its descriptive sense rather than identifying it with him. He must prove that the mark has acquired a secondary meaning as denoting his goods, and the burden of doing so is higher in proportion to the descriptive quality of the mark."

15 In the present case the opponents use MOTORAIL with other matter (notably SNCF). Given its apparent weakness as a mark and the lack of evidence to show the number of UK customers or how the apparently descriptive mark MOTORAIL might be perceived, I consider a case has not been made out to show that the opponents' services in France have acquired a goodwill in the UK in relation to the sign MOTORAIL. Therefore, I do not need to go on to consider whether there has been any misrepresentation by the applicants or damage being suffered by the opponents. Furthermore, no case has been made out under either of these legs of the test. Therefore, the opposition under Section 5(4) fails.

25 I now turn to the grounds under Section 5(2)(b) and Section 6(1)(c) which read as follows:

"5(2) A trade mark shall not be registered if because -

- 30 (a)
- (b) 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,

35 there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark."

and

40 "6(1) In the Act an "earlier trade mark" means -

- 45 (a)
- (b)
- (c) a trade mark which, at the date of application for registration of the trade mark in question or (when appropriate) of the priority claimed in

respect of the application, was entitled to protection under the Paris Convention as a well known trade mark."

The relevant provisions in the Act dealing with the Paris Convention state -

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"55(1) In this Act -

(a)

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(b) a "Convention country" means a country, other than the United Kingdom, which is a party to that Convention."

and

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"56(1) References in this Act to a trade mark which is entitled to protection under the Paris Convention as a well known trade mark are to a mark which is well known in the United Kingdom as being the mark of a person who-

(a) is a national of a Convention country, or

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(b) is domiciled in, or has a real and effective industrial or commercial establishment in, a Convention country,

Whether or not that person carries on business, or has any goodwill, in the United Kingdom.

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References to the proprietor of such a mark shall be construed accordingly."

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It is evident that the services under consideration are identical and that the applicants' mark includes, as an essential part, the opponents' mark. However, it is clear from my consideration of the Section 5(4) grounds that I do not consider that the opponents have made a case for the mark MOTORAIL having any degree of recognition or knowledge by the relevant UK public. Unlike Section 5(4) Section 56(1) does not make it a requirement that a person carries on a business or has goodwill in the UK. But where this is not the case there needs to be particularly persuasive evidence that the mark is, for other reasons, well known to a substantial proportion of the public in the United Kingdom. It seems reasonable to suppose that advertising and dissemination of brochures in the UK will have resulted in some public awareness of the mark but the information provided falls well short of establishing the case for the mark being well known.

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There is a further apparent difficulty in that Section 55(1)(b) indicates that a "Convention Country" means a country other than the United Kingdom. The opponents are a UK business who say they are entitled to claim protection for the trade mark MOTORAIL as a well known mark. Thus they do not appear to qualify for protection. For this reason, also, the claim based on well-known mark status fails.

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The opposition having failed the applicants are entitled to a contribution towards their costs. I order the opponents to pay the applicants the sum of £235. This sum to be paid within seven days of the end of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

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Dated this 21 day of November 2000

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R A JONES

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For the Registrar

the Comptroller-General