

THE HIGH COURT

[2004 No. 342 SP]

IN THE MATTER OF THE TRADEMARKS ACT 1963
AND IN THE MATTER OF TRADEMARKS 1996AND IN THE MATTER OF APPLICATION NO: 146025 DATED 4 DECEMBER 1991 PURSUANT TO THE TRADEMARKS ACT 1963 BY
MANUFACTURE DES MONTRES JAGUAR S.A. FOR REGISTRATION OF JAGUAR AS A TRADEMARK IN CLASS 14 OF THE REGISTER
OF TRADEMARKS

BETWEEN

JAGUAR CARS LIMITED AND THE JAGUAR COLLECTION LIMITED

PLAINTIFFS

AND

THE CONTROLLER OF PATENTS, DESIGNS AND TRADEMARKS AND MANUFACTURE DES MONTRES JAGUAR S.A.

DEFENDANTS

Judgment of Mr. Justice Clarke delivered 24th March, 2006.

1. Introduction

1.1 In these proceedings an appeal is brought to the court under s. 57 of the Trademarks Act 1963 from a decision of the first named defendant ("the Controller") on 25th February, 2004. The decision of the Controller was to dismiss the opposition of the plaintiffs ("Jaguar Cars") to the registration sought in Class 14 of the Register of Trademarks by the second named defendant ("Des Montres") of the Trademark "JAGUAR". The first named plaintiff's principal business involves the manufacture distribution and sale of cars under the JAGUAR trademark and also using the well known device of a leaping jaguar. The second named plaintiff is a wholly owned subsidiary of the first named plaintiff and is concerned with the marketing and sale of non automotive products under both of those trademarks.

1.2 For the purposes of these proceedings nothing turns on the distinction between the two plaintiff companies and I will refer, unless explicitly stated to the contrary, to either or both of them as "Jaguar Cars". There is little doubt but that the JAGUAR trademark has a lengthy history having been first used on cars in 1935. Such cars have been sold in Ireland since the mid 1950s. While it will be necessary to go into the detail of the various trademarks owned by Jaguar Cars in some more detail in the course of this judgment it is worth noting as part of this introduction that the original trademarks registered on behalf of Jaguar Cars in Ireland were, not surprisingly, in respect of motor cars. It is also clear that Jaguar Cars has, in particular through the second named plaintiff, sought to exploit the name Jaguar and the device traditionally associated with Jaguar Cars in the sale of other high quality products. In that context Jaguar Cars has successfully registered the same or similar trademarks in respect of other products. Such registrations are of more recent origin and the detail of the timing of such registration and the nature of the goods in respect of which such trademarks were registered will be referred to when necessary in the course of this judgment.

1.3 Des Montres is a manufacturer of watches and has sought, in Ireland, the registration of the trademark "JAGUAR" in respect of such watches. In that context it is important to note that Jaguar Cars has no registered trademark in Ireland in respect of watches. It would appear that Des Montres has successfully registered trademarks using the name Jaguar in a number of jurisdictions. It would also appear that there are ongoing disputes between the parties in quite a number of different jurisdictions, which disputes have taken different forms and are, of course, subject to the law and practice of each separate jurisdiction and, insofar as that may be relevant in each jurisdiction, to the history of the use of various marks by the parties in that territory.

1.4 However against that general background it is important to note that the issues which I have to decide are relatively narrow in focus. A number of grounds of opposition were put forward on behalf of Jaguar Cars as the basis for their opposition before the Controller to the intent that Des Montres be refused the registration sought in respect of watches in Class 14. Some, but not all, of those grounds remain in issue on this appeal. Save to a very limited extent it does not, therefore, appear that those aspects of the proceedings before the Controller, which concerned grounds no longer pursued, are of any relevance to the issues to which I have to decide.

In particular it should be noted that the question of the entitlement of Des Montres to rely on an assignment of an earlier trademark (which issue had been raised in the objection before the Controller) was abandoned. I must therefore, proceed on the assumption that Des Montres has the benefit of the relevant assignment of the trademark.

It is now necessary to turn to the specific grounds of objection pursued on behalf of Jaguar Cars in this appeal.

2. The Grounds of Objection

2.1 Three grounds are relied upon. They are:-

(a) that Des Montres is not the proprietor of the mark; and/or

(b) that registration should be refused under s. 19 of the Trademark Act 1963 on the basis of a likelihood of confusion; and/or

(c) in the event that (a) and (b) fail, that the courts discretion under s. 25(2) of the Trademarks Act 1963 should be exercised in favour of allowing the objection on the basis of a contended for lack of *bona fides* on the part of Des Montres.

2.2 In assessing the merits or otherwise of those objections it is common case that I am confined to considering the materials that were before the Controller. It is also common case that any relevant circumstances need to be considered as of the date of the original application to the Controller, that is to say the 4th December, 1991. On that basis I now turn to the issues raised.

3. Ownership of Mark

3.1 Section 25(1) of the Trademarks Act 1963 provides as follows:-

"Any person claiming to be the proprietor of a trademark used or purposed to be used by him who is desirous of registering it must apply in writing to the Controller in the prescribed manner for registration either in part A or B of the register".

3.2 In *Montex Holdings Limited v. Controller of Patents* [2000] 1 I.R. 577 O'Sullivan J. laid down the test as to ownership of a

trademark in the following terms:-

"I further accept that the test of ownership in the mark is that ownership vests in the party first using it in this jurisdiction. In this I am following Morritt LJ in *Al Bassam Trademark* (1995) RPC 511 at p. 22 where he said:-

'Accordingly it is necessary to start with the common law principles applicable to the ownership of unregistered marks. They are not in doubt and may be shortly stated. First the owner of a mark which has been used in conjunction with goods will be who first used it. Thus in *Nicholson & Son Limited's application* (1931) 48 RPC 227 at p. 253, Lawrence LJ said:-

"The cases to which I have referred (and there are others to like effect) show that it was firmly established at the time when the Act of 1875 was passed that a trader acquired a right of property in a distinctive mark merely by using it upon or in connection with his goods irrespective of the length of such user and of the extent of his trade and that such right of property would be protected by an injunction restraining any other person from using the mark.'"

3.3 It should also be noted that in *Nicholson* Lawrence LJ had also observed (at p. 251-252) the following:-

"I am clearly of opinion that no evidence of recognition by the public is required in order to prove that a distinctive mark was in use as a trademark before 1885. What is required for that purpose is prove that the mark before that date was in fact used as a trademark, that is, was used by the trader in his business upon or in connection with his goods, and it is not necessary to prove either the length of user or the extent of the trade. In other words the character and not the length or extent of the user is the only thing that has to be established. Ever since Lord Cottenham in *Millington v. Fox* (1838) 3 M & Cr. 388 decided that fraud was not an essential ingredient in order to obtain an injunction to restrain infringement of a trademark, it was recognised by courts of equity that there was a right of property in a trademark and that such right did not depend on length of user or reputation in the market. Before the Act of 1875 it had been definitively established that the only essential quality for constituting property in a trademark (unobjectionable in itself) was that it should have been used by the proprietor in its business upon or in connection with some vendible article".

3.4 It is not contended that Des Montres had used the mark JAGUAR in Ireland prior to its application. There is an issue between the parties as to whether Jaguar Cars had used the mark in respect of watches prior to the date of the application. That is an issue to which I will return. If Jaguar Cars had not used the mark in the manner suggested as being required as a result of the test set out in the above authorities, so as to be the owner of the mark, then it would appear that the mark was available to any person intending to use it and, in the absence of any other reason for not registering the mark, was available to be registered in favour of Des Montres. On the other hand if the mark was, in fact, used by Jaguar Cars in Ireland in respect of watches prior to the date of the application, in accordance with such test, then it (Jaguar Cars) must be said to be the proprietor of the mark. In those circumstances it would clearly follow that Des Montres could not be the proprietor and would, in those circumstances, as it was put by counsel on behalf of Jaguar Cars, fall at the first hurdle. There is no reason to reject Des Montres' stated intention to use the mark in this jurisdiction.

3.5 It is, therefore, clear that this ground of objection turns on whether it can be said that Jaguar Cars had used the mark in respect of watches in Ireland, in the manner suggested in the above authorities, prior to the date of application.

3.6 The evidence put forward to suggest that Jaguar Cars had used the mark in respect of watches in Ireland prior to the date of application may be summarised under three headings:-

(a) There is evidence that the JAGUAR mark appeared on an analog clock sold as part of the Jaguar XJS in this jurisdiction since 1993.

(b) Invoices were exhibited which suggest a number of sales of Jaguar watches to Ireland. However the majority of those invoices (that is to say all but one) relate to sales to Northern Ireland. The only transaction relating to this jurisdiction appears to concern a single invoice containing a record of three watches with a total value inclusive of VAT of £145.90. The invoice is directed to the company which had the distributorship for the sale of Jaguar cars in Ireland.

(c) There is also evidence that watches bearing the JAGUAR mark have been included in brochures, promoted by Jaguar Cars generally, which may have been available in Ireland prior to the date of application.

3.7 In relation to that evidence I should firstly note that the position in relation to the presence of analog clocks bearing the Jaguar mark clearly postdates the date of application and is, therefore, irrelevant. While it is noted that there may be an absence of complete records which, it is suggested, may mean that a greater volume of transactions occurred, in respect of which records no longer exist, I am not persuaded that, if there had been a significantly greater volume of transactions involving Jaguar watches in this jurisdiction prior to the date of application, it would not have been possible to put forward some evidence in respect of same. On that basis it does not seem to me that it would be appropriate for me to infer that the volume of watches bearing the JAGUAR mark, which were brought into this jurisdiction, as part of the business of Jaguar Cars Irish distributors, prior to the date of application, exceeded, by any significant margin, the items referred to in the invoice which was exhibited in the evidence and to which I have referred. Furthermore it should be noted that the evidence does not go so far as to say that any of watches concerned were in fact sold to third parties by Jaguar Car's Irish distributor. It is a view which is at least as consistent with the evidence to suggest that the watches could have been given away by the Irish distributor as part of a promotion or as a gift to valued customers.

3.8 Finally there was no substantial evidence as to the use made of any brochures making reference to Jaguar Cars' watches prior to the date of application. Given the absence of any evidence of sales and the extremely limited evidence of the importation into Ireland by Jaguar Cars' Irish distributor of any such watches it is reasonable to infer that any promotional material involving watches produced by Jaguar Cars was not widely circulated during the relevant time period.

3.9 Against that background it is argued on behalf of Jaguar Cars that the authorities to which I have referred do not contemplate a "de minimis" rule, so that even a very limited use of the mark in respect of watches would be sufficient to establish ownership in Jaguar Cars and thus exclude any entitlement of Des Montres.

3.10 I do not agree that the above is an appropriate reading of the authorities. It is clear from the passages to which I have referred that the scale of the business concerned is not material. A small business (even a very small business) was and is *prima facie* entitled to the ownership of a mark which it has applied to what was described by Lawrence LJ in *Nicholson* as "some vendible article". It

seems to me that that test imports a requirement that the use be for something that can realistically be called a business. It may be a very small business. Of more relevance to this case it may also be a very small part of a much larger business. But it must be a business. On the evidence I am not satisfied that it has been established that Jaguar Cars had any business (however small) in the sale of watches bearing the JAGUAR mark, or any variant thereon, in this jurisdiction prior to the date of application. In those circumstances I am not satisfied that Jaguar Cars can be said to be, as of the date of application, the owner of the mark so as to exclude the entitlements of Des Montres to apply for registration in respect of an intended use of the same mark. On that basis it does not appear to me to be appropriate to reject the application of Des Montres on that ground.

4. Confusion

4.1 Section 19 of the Trademark Act 1963 provides as follows:-

"It shall not be lawful to register as a trademark or part of a trademark any matter the use of which would, by reason of its being likely to deceive or cause confusion or otherwise, be disentitled to protection in a court of law, or would be contrary to law or morality, or any scandalous design".

4.2 In *Smith Hayden & Company Limited's application* (1946) 63 RPC 97 at p. 102 Evershed J. laid down, in its original form, the test to be applied under the equivalent United Kingdom legislation in the following terms:-

"Having regard to the reputation acquired by the name, is the court satisfied that the mark applied for, if used in a normal and fair manner in connection with any goods covered by the registration proposed, will not be reasonably likely to cause deception and confusion amongst a substantial number of persons".

4.3 The matter was revisited by the courts in the United Kingdom in *BALI Trademark* (1969) RPC 47. In the course of his speech in that case Lord Upjohn stated the following:-

"It is not necessary in order to find that a mark offends against (the equivalent United Kingdom's section) to prove that there is an actual probability of deception leading to a passing off or (I add) an infringement action. It is sufficient if the result of the registration of the mark will be that a number of persons will be caused to wonder whether it might not be the case that the two products come from the same source. It is enough if the ordinary person entertains a reasonable doubt, but the court has to be satisfied not merely that there is a possibility of confusion; it must be satisfied that there is a real tangible danger of confusion if the mark which it is sought to register is put on the register".

It is also clear from a passage at p. 496 of the judgment in *BALI* that Lord Upjohn was of the view that the test identified in *Smith Hayden* should be modified so as to have regard to the user of the name concerned rather than the reputation acquired by the name.

4.4 I accept that the test in this jurisdiction is as specified in those authorities. The real question is, therefore, as to whether the use by Des Montres, in a fair and normal way, of the trademark JAGUAR in relation to watches is likely to lead to confusion in the minds of a substantial number of persons by virtue of the user by Jaguar Cars of their marks in this jurisdiction and possibly, to some extent, in other jurisdictions.

4.5 This raises the question of brand extension. There can be little doubt but that in recent years the proprietors of major brand names (particularly those associated with prestigious or luxury goods) have tended to seek to exploit the brand name concerned not just in respect of the goods in relation to which the brand name first became established but also other unconnected goods. It would appear that the thinking behind such exploitation is that a brand name which is associated in the public mind with high quality may carry similar connotations in favour of products not previously associated with that brand name.

4.6 It certainly seems to me to be the case that, in principle, the use by a third party of a well known mark on goods that are different from those in respect of which the well known mark has come to be known, gives rise to the possibility of confusion being caused in circumstances where consumers may be alive to the possibility of the extension of the brand name in question to the relevant goods. In those circumstances consumers could, in principle, be confused into believing that the goods concerned were those of the proprietor of the well known mark. Against that background it is necessary to consider the evidence.

4.7 The starting point of such consideration is to note that the risk of confusion must be judged as of December 1991 when the contested application was first made. There was evidence before the court (and the Controller) showing that a number of manufacturers of prestige motor vehicles had, certainly by the mid 1990s, engaged in significant brand extension, including the provision of watches bearing the relevant marks. There was also evidence that Jaguar Cars had extended their brand to watches as far back as 1982. I have already analysed the extent to which there is any evidence of the sale of watches in Ireland prior to 1991. There is also specific evidence of a complaint made by a Mr. D.F. Roberts of Surrey, England in relation to a watch which he bought on holiday in Gran Canaria which bore the name "Jaguar" and which he mistakenly believed came from Jaguar Cars.

4.8 Some indication of the extent of brand extension and its timing can be obtained by a consideration of the timing and nature of the trademarks registered in favour of Jaguar Cars in Ireland. The following table sets these out:

TABLE

DATE	CLASS	MARK
(1) 1945	12 – Motor Vehicles etc	Word Jaguar
(2) 1978	25 – Sports Clothing etc	Device of Jaguar head and Word
(3) 1978	28 – Games	Device of Jaguar head and Word
(4) 1983	9 – Spectacles etc	Jaguar
(5) 1983	9 – Spectacles etc	Leaping Jaguar and word Jaguar
(6) 1985	12 – Motor Vehicles etc	Leaping Jaguar
(7) 1985	12 – Motor Vehicles etc	Jaguar Head
(8) 1993	18 – Leather Goods etc	Leaping Jaguar and word Jaguar
(9) 1996	37 – Motor Vehicles Services	Jaguar

4.9 The absence of the existence of a trademark registered in respect of a particular class of good is not, of course, evidence that goods in that class bearing any particular mark were not, in fact, in circulation. However the Table above gives some indication of brand extension to sports clothing and games in the late 1970s and spectacles in the early mid 1980s with a further extension to leather goods in 1993 and it is, therefore, of only a limited assistance in assessing a risk of confusion in respect of the use word Jaguar in relation to watches as of the end of 1991.

4.10 It is also necessary to take into account the fact that the word Jaguar is an ordinary English word which has, undoubtedly, become a major brand name in respect of motor cars. However as an ordinary word it does not necessarily follow that consumers would necessarily believe that every product bearing the name Jaguar was a product of Jaguar Cars.

4.11 It is also important to take into account the fact that the test identified above requires me to consider whether confusion would be caused by a "normal and fair use" of the mark. In those circumstances it is not appropriate that I should assume that there will be any misrepresentation as to the proprietor of the goods.

4.12 There does not appear to be evidence of what I might call general sale of watches bearing the JAGUAR mark in Ireland. By general sale I mean sale through outlets not directly associated with the sale of Jaguar cars. It seems to me that this is a significant factor in the assessment of the likelihood of confusion. If there has been no pattern of the sale of watches by Jaguar Cars through general retail outlets then same minimises the risk of confusion in the event that such a sale (i.e. a sale in a general or watch specific outlet) takes place of a product produced by Des Montres bearing the mark JAGUAR.

Taking all those factors into account I am not satisfied that there was, as of December 1991, a reasonable likelihood of confusion among a substantial number of persons. In particular I am influenced, in coming to that view, by the fact that, as of the date of application, the extent of brand extension, and in particular brand extension to watches or similar items by Jaguar Cars, in this jurisdiction, was extremely limited and largely confined to promotion associated with the sale of automotive products.

4.13 In coming to that view I have also had regard to those cases, relied upon by Jaguar Cars, in which provisions equivalent to s. 19 have been successfully invoked for the purposes of opposing registration.

4.14 In *Eastman Photographic Materials Company Limited v. John Griffiths Cycle Corporation Limited* (1898) 15 RPC 105 the owner of the trademark "Kodak" (which as many would be aware had established a significant reputation in respect of cameras) secured the revocation of a registration of that mark by the defendant in respect of cycles. However the evidence in that case established that the plaintiff company had made a speciality of cameras suitable for bicyclists and associated appliances for the fixing of cameras to bicycles. In that context significant advertising had taken place in respect of what were described as "bicycle kodaks". It was in that context that Romer J. came to the conclusion (at p. 110) that:-

"To a certain extent the plaintiff company is identified with the name "Kodak" as connected with Cycles and so great is the connection between the two classes of businesses that, in all probability, I may say the plaintiff company may wish hereafter to manufacture and sell cycles specially adapted to carry their "kodaks". That was the position of affairs when the defendants began to do what I am going to call attention to.

It is also clear from the judgment that the association between cameras and bicycles as of the time when that case was heard (that is to say the end of the second last century) was, apparently, much more significant than might reasonably be said to be the case today. There was therefore, on the facts of that case, a much greater association between the two relevant businesses and products and also a much more significant, in my view, association between the plaintiff in that case and its non core (i.e. cycle related) business than has being established on the facts of this case to exist between Jaguar Cars and watches.

4.15 In *H.J. Lees & Son (London) Limited's application* (1955) 72 RPC 75 the owner of the trademark "Leesona" (which was registered in respect of textile winding machines successfully opposed the registration of the same mark in respect of carpets, mats and rugs.

It is clear that the reasoning behind that decision was that the large number of persons then working in the textile industry would be familiar with the Leesona trademark in respect of the machines used in that industry and would be likely, therefore, to associate carpets, mats and rugs (which are, after all, products of the textile industry) with the proprietors of the original mark. There is again a much greater connection between the two products concerned and thus a much greater likelihood of confusion than exists, in my view, in this case.

4.16 Finally reliance is placed upon *Players Trademark* (1965) RPC 363 where the holder of the registered mark "Players" for tobacco, successfully opposed its registration for "non medicated sugar confectionary and sweet biscuits". The application was in substance in respect of the making of what were referred as "sweet cigarettes" being a confectionary designed to look like a cigarette. Again the connection between the two products is obvious and, in my view, of a far greater extent and thus much more likely to lead to confusion than exists on the facts of this case.

5. Discretion

5.1 Under this heading Jaguar Cars places reliance on the provisions of s. 25(2) of the 1963 Act which provides as follows:-

"Subject to this Act the controller may refuse the application, or may accept it absolutely or subject to such amendments, modifications, conditions or limitations, if any, as he may think fit".

5.2 In *Montex Holdings Limited v. Controller of Patents* [2001] 3 I.R. 85 the Supreme Court had to consider the possible exercise of the undoubted discretion conferred by s. 25(2). The court held that the question of discretion should only be addressed if and when all grounds for mandatory refusal had been dismissed. As the objection in that case succeeded on the grounds of confusion, the Court did not consider it necessary to go on to deal with discretion. As I have dismissed both grounds put forward on behalf of Jaguar Cars for mandatory refusal I must go on to consider the possible exercise of the discretion conferred by s. 25(2)

5.3 In *Rawhide Trademark* (1962) RPC 133 Cross J., in considering the equivalent discretion which arose under the United Kingdom Trademark Act 1938 stated the following (at p. 142):-

"though the Registrar in exercising his discretion is not, I think, limited to any particular type of consideration, he must exercise it judicially on reasonable grounds which are capable of being clearly stated. A vague feeling of distaste for the applicant or his methods of business cannot justify a refusal to register a mark which satisfies the conditions laid down in the Act".

5.4 Before considering the grounds put forward I should also note that s. 57(2) of the 1963 Act provides that:-

"In any appeal from a decision of the controller to the court under this Act, the court shall have and exercise the same discretionary powers as under this Act or conferred upon the controller".

It is therefore clear that I should exercise my own discretion.

5.5 In that context I now turn to the basis put forward on behalf of Jaguar Cars for suggesting that that discretion should be exercised in favour of the objection and against the registration. Jaguar Cars alleges a lack of *bona fides*. Reliance is placed on what it contends is the use of a typeface and style by Des Montres which is identical or virtually identical to that which is employed by Jaguar Cars.

Furthermore reliance is placed upon the fact that some advertisements in other jurisdictions would appear to have involved the use by Des Montres of the device of a bounding Jaguar in tandem with the word JAGUAR and, at least in one instance, to have involved an advertisement of very similar appearance to a previous Jaguar Cars advertisement.

5.6 However I must view the evidence presented for what are contended to be disreputable practices on the part of Des Montres in the context of what has, undoubtedly, been a long running series of disputes between these parties across a wide number of jurisdictions and litigated in a variety of forms with, it would appear, a significant amount of vigour. In those circumstances it seems to me that counsel for Des Montres was correct when he characterised the number of specific incidences in which it might be said that his client might have behaved inappropriately as being very few.

5.7 Like the deciding officer of the Controller I am not satisfied that any significant inference should be drawn from the use of a typeface which, while undoubtedly the same or similar to that used by Jaguar Cars, would appear to be a standard typeface not involving any specialised or improvised style of writing. Furthermore, having regard to the lengthy history of acrimony between the parties, it is reasonable to infer that had further examples of the undoubted inappropriate actions on the part of Des Montres or their agents in using, on a small number of occasions, the leaping jaguar mark, existed same would have been placed before the court. In those circumstances I am not satisfied that there is evidence of a sufficient level of inappropriate behaviour on the part of Des Montres such as would justify the exercise of discretion against the registration of a mark which is otherwise registerable.

5.8 As pointed out above there was not, at the hearing before me, any further contest as to the fact that the mark JAGUAR was registered in Switzerland in October 1945 and that that mark is now, by reason of assignment, in the ownership of Des Montres. Whatever may be the rights and wrongs of the various disputes which have existed between the parties over the years, this is not a case where it can be said that, as in *Rawhide*, an applicant has sought to piggyback on the registration of a foreign mark owned by an other proprietor. The uncontradicted evidence is to the effect that the trademark in respect of watches was registered in Switzerland just ten years after Jaguar Cars began manufacturing motor cars.

5.9 In all those circumstances it does not appear to me to be appropriate to exercise a discretion against registering the mark.

6. Conclusion

I therefore propose to dismiss the appeal and affirm the decision of the controller.