O/1165/25

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO. UK00003966215
BY KWANG YANG MOTOR CO., LTD.
TO REGISTER:

BMU

AS A TRADE MARK IN CLASSES 9 AND 12

AND

IN THE MATTER OF THE OPPOSITION THERETO
UNDER NO. 445433
BY BAYERISCHE MOTOREN WERKE AKTIENGESELLSCHAFT

BACKGROUND AND PLEADINGS

1. On 11 October 2023, KWANG YANG MOTOR CO., LTD. ("the applicant") applied to register the trade mark shown on the cover page of this decision, in the UK. The application was accepted and published in the Trade Marks Journal on 27 October 2023 in respect of the following goods:

> **Class 9:** *Computer software; computer hardware; chips [integrated circuits]; circuit board; monitors [computer programs]; monitoring apparatus, other than for medical purposes; batteries for vehicles; batteries, electric, for vehicles; electric power supply units; application software for cell phones; computer programs, downloadable; computer programs, recorded; kilometer recorders for vehicles; battery chargers; charging stations for electric vehicles.*
>
> **Class 12:** *Motorcycles; electric motorcycles; cars; electric cars; bicycles; electric bicycles; electric vehicles; mobility scooters; electric motors for mobility scooters; all-terrain vehicles; electric motors for all-terrain vehicles; utility vehicles.*

2. On 22 January 2024, the application was opposed by Bayerische Motoren Werke Aktiengesellschaft ("the opponent") based upon Sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 ("the Act").

3. Under both Sections 5(2)(b) and 5(3), the opponent relies upon the following trade marks and some of the goods covered by the same, as shown below:

UK00900091835 ("the first earlier mark")[1] BMW Filing date: 01 April 1996[2]

[1] Under Article 54 of the Withdrawal Agreement between the UK and the EU, the UK IPO created comparable UK trade marks for all right holders with an existing registered EUTM or International Registration designating the EU. As a result, the opponent's earlier mark was converted into a comparable UK trade mark. Comparable UK marks are now recorded in the UK trade mark register, have the same legal status as if they had been applied for and registered under UK law, and the original filing dates remain the same.

[2] The trade mark claims seniority from two UK trade mark with two application dates of 14 November 1973 (from trade mark no. 1020725) and 22 May 1987 (from trade mark no. 1310936), however, it does not make any difference to the outcome of the present opposition.

Registration date: 25 February 2000 Under Section 5(2)(b), the opponent opposes the application in its entirety relying upon the following goods: **Class 9:** *Electric apparatus and instruments (included in class 9); Magnetic data carriers, recording discs; Data processing programs and computer software (included in class 9), Storage mediums of every kind provided with programs.* **Class 12:** *Vehicles and parts therefor; Motors for land vehicles; Apparatus for locomotion by land.* Under Section 5(3), the opponent opposes the application in its entirety relying upon (and claiming reputation for) the following goods: **Class 12:** *Vehicles and parts therefor; Motors for land vehicles*
UK00001020725 ("the second earlier mark") BMW Filing date: 14 November 1973 Registration date: 14 November 1973 Under Section 5(2)(b), the opponent opposes the following goods in the application: **Class 9:** *batteries for vehicles; batteries, electric, for vehicles; electric power supply units; kilometer recorders for vehicles; battery chargers; charging stations for electric vehicles.* **Class 12:** *Motorcycles; electric motorcycles; cars; electric cars; bicycles; electric bicycles; electric vehicles; mobility scooters; electric motors for mobility scooters; all-terrain vehicles; electric motors for all-terrain vehicles; utility vehicles.* Under Section 5(2)(b), the opponent relies upon all of the registered goods, namely:

Class 12: *Motor-cars and motor-cycles; engines included in Class 12; and parts and fittings included in Class 12 for all the aforesaid goods.* Under Section 5(3), the opponent opposes the application in its entirety relying upon (and claiming reputation for) all of the registered goods as set out above.

4. By virtue of their earlier filing dates, the trade marks relied upon by the opponent are “earlier marks” in accordance with Section 6 of the Act. Both earlier marks had been registered for five years or more at the filing date of the contested mark, and, as such, are theoretically subject to the use conditions under Section 6A of the Act. However, in its counterstatement, the applicant elected not to put the opponent to proof of use - this means that the opponent can rely upon all of the goods it has identified without having to prove genuine use.

5. Under Section 5(2)(b), the opponent claims there is a likelihood of confusion because the goods are identical or highly similar, and the marks are highly similar. In particular, the opponent states that the formal pronunciation of the final “double-u” letter (i.e. ‘W’) of the earlier marks is similar to that of the letter 'U' being the final letter of the opposed mark, leading to a level of similarity. The opponent also relies on the established principle that greater focus is generally placed on the beginning of a mark rather than on its ending.

6. Under Section 5(3), the opponent claims that its earlier marks enjoy a reputation in relation to all of the goods identified above (*Motor-cars and motor-cycles; engines included in Class 12; and parts and fittings included in Class 12 for all the aforesaid goods* under the first earlier mark and *Motor-cars and motor-cycles; engines included in Class 12; and parts and fittings included in Class 12 for all the aforesaid goods* under the second earlier mark). In particular, the opponent claims that given the high level of similarity between the marks, the relevant public (a) will believe that they are used by the same undertaking or that there is an economic connection between the parties in circumstances where this is not the case, and/or (b) the relevant consumer will assume a link between the two marks and/or their respective owners resulting in the contested mark taking unfair advantage of, or being detrimental to, the distinctive character or the repute of the opponent’s earlier marks.

7. Under Section 5(4)(a), the opponent relies upon the unregistered sign 'BMW' which it is said has been used throughout the UK since 1973 in relation to the following goods: *Vehicles, automobiles and motorcycles and motors, parts and accessories therefor.* In particular, the opponent claims that it has acquired a significant reputation and goodwill in the sign in connection with the relevant goods and that given the high level of similarity between the marks and the identity or similarity between the goods, use of the contested mark would give rise to misrepresentation and damage.

8. The applicant filed a defence and counterstatement, denying the opponent's claims.

9. The opponent is represented by Palmer Biggs IP, Solicitors, and the applicant is represented by HGF Limited.

10. Only the opponent filed evidence. It also filed written submissions dated 9 September 2024. Neither party requested a hearing, nor did they file submissions in lieu of a hearing. I make this decision having taken full account of all the papers, referring to them as necessary.

Relevance of EU Law

11. The provisions of the Act relied upon in these proceedings are assimilated law, as they are derived from EU law. Although the UK has left the EU, Section 6(3)(a) of the European Union (Withdrawal) Act 2018 (as amended by Schedule 2 of the Retained EU Law (Revocation and Reform) Act 2023) requires tribunals applying assimilated law to follow assimilated EU case law. That is why this decision refers to decisions of the EU courts which predate the UK's withdrawal from the EU.

MY APPROACH

12. Although the opponent relies on two earlier marks, they both cover the identical trade mark 'BMW'. The second earlier mark is not materially stronger than the other mark because (1) it has a more limited specification, and (2) it is relied upon under Section 5(2)(b) to oppose only part of the contested goods. Hence, I will disregard the second earlier mark, and I will return to it only if necessary.

EVIDENCE

13. The opponent's evidence came in the form of a witness statement from Harald Frey dated 9 September 2024. Mr Frey's witness statement is accompanied by 32 exhibits (being those labelled HF1-HF32). Mr Frey is Legal Counsel in the Intellectual Property Law, Trademarks, Designs department of the opponent in Germany, a position he has held since March 2023. His evidence in chief is aimed at showing use of the earlier mark by the opponent in order to support the claims based on reputation and goodwill.

14. I do not intend to summarise the evidence (or submissions) in full here. However, I confirm that I have taken all filed documents into account and will summarise them to the extent that I deem necessary below.

DECISION

Section 5(2)(b)

15. Section 5(2)(b) of the Act reads as follows:

> "5(2) A trade mark shall not be registered if because –
>
> (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,
>
> there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark."

16. The following principles are gleaned from the decisions of the EU courts in *Sabel BV v Puma AG,* Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc,* Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV,* Case C-425/98,

Matratzen Concord GmbH v OHIM, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH,* Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM,* Case C-334/05P and *Bimbo SA v OHIM,* Case C-591/12P:

(a) The likelihood of confusion must be appreciated globally, taking account of all relevant factors;

(b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

(e) nevertheless, the overall impression conveyed to the public by a composite trade mark may be dominated by one or more of its components;

(f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

(g) a lesser degree of similarity between the goods or services may be offset by a greater degree of similarity between the marks, and vice versa;

(h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;

(i) mere association, in the strict sense that the later mark brings to mind the earlier mark, is not sufficient;

(j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;

(k) if the association between the marks creates a risk that the public might believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

Comparison of goods

17. When making the comparison, all relevant factors relating to the goods and services in the specifications should be taken into account. In the judgment of the Court of Justice of the European Union ("CJEU") in *Canon*, Case C-39/97, the court stated at paragraph 23 that:

> "In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary."

18. Guidance on this issue has also come from Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, where he identified the factors for assessing similarity as:

(a) The respective uses of the respective goods or services;

(b) The respective users of the respective goods or services;

(c) The physical nature of the goods or acts of service;

(d) The respective trade channels through which the goods or services reach the market;

(e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and, in particular, whether they are or are likely to be found on the same or different shelves;

(f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance, whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.

19. In *Kurt Hesse v OHIM*, Case C-50/15 P, the CJEU stated that complementarity is an autonomous criterion capable of being the sole basis for the existence of similarity between goods. In *Boston Scientific Ltd v OHIM***,** Case T-325/06, the General Court ("GC") stated that "complementary" means:

> "[…] there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking."

20. In *Sanco SA v OHIM,* Case T-249/11, the GC indicated that goods and services may be regarded as 'complementary' and therefore similar to a degree in circumstances where the nature and purpose of the respective goods and services are very different. The purpose of examining whether there is a complementary relationship between goods and services is to assess whether the relevant public are liable to believe that responsibility for the goods and services lies with the same undertaking or with economically connected undertakings. As Mr Daniel Alexander QC noted as the Appointed Person in *Sandra Amelia Mary Elliot v LRC Holdings Limited,* BL O/255/13*:*

> "It may well be the case that wine glasses are almost always used with wine – and are, on any normal view, complementary in that sense – but it does not follow that wine and glassware are similar goods for trade mark purposes."

21. Whilst on the other hand:

> "[…] it is neither necessary nor sufficient for a finding of similarity that the goods in question must be used together or that they are sold together."

22. In *Gérard Meric v Office for Harmonisation in the Internal Market,* Case T- 133/05, the GC stated that:

> "29. In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by trade mark application (Case T-388/00 *Institut fur Lernsysteme v OHIM- Educational Services (ELS)* [2002] ECR II-4301, paragraph 53) or where the goods designated by the trade mark application are included in a more general category designated by the earlier mark."

23. The competing goods are as follows:

The applicant's goods	**The opponent's goods**
Class 9: *Computer software; computer hardware; chips [integrated circuits]; circuit board; monitors [computer programs]; monitoring apparatus, other than for medical purposes; batteries for vehicles; batteries, electric, for vehicles; electric power supply units; application software for cell phones; computer programs, downloadable; computer programs, recorded; kilometer recorders*	**Class 9:** *Electric apparatus and instruments (included in class 9); Magnetic data carriers, recording discs; Data processing programs and computer software (included in class 9), Storage mediums of every kind provided with programs.*

for vehicles; battery chargers; charging stations for electric vehicles.	
Class 12: *Motorcycles; electric motorcycles; cars; electric cars; bicycles; electric bicycles; electric vehicles; mobility scooters; electric motors for mobility scooters; all-terrain vehicles; electric motors for all-terrain vehicles; utility vehicles.*	**Class 12:** *Vehicles and parts therefor; Motors for land vehicles; Apparatus for locomotion by land.*

Class 9

24. *Computer software; application software for cell phones; computer programs, downloadable; computer programs, recorded.* Both specifications include the term *Computer software.* These goods are self-evidently identical. The opponent's computer software is also sufficiently broad to encompass the applicant's *application software for cell phones; computer programs, downloadable; computer programs, recorded.* These goods are identical on the principle outlined in *Meric.*

25. *Computer hardware; chips [integrated circuits]; circuit board; monitors [computer programs]; monitoring apparatus, other than for medical purposes; batteries for vehicles; batteries, electric, for vehicles; electric power supply units; kilometer recorders for vehicles; battery chargers; charging stations for electric vehicles.* A chip is a small electronic device that contains a complex network of electronic circuits and components, which work together to perform specific electronic functions. Chips are essential components in modern electronics, including computers and various digital devices. A circuit board is a board containing an electronic circuit. Based on these meanings, I consider that the opponent's earlier term *Electric apparatus and instruments (included in class 9)* is sufficiently broad to cover all of the remaining goods in the contested specification in class 9, namely*, Computer hardware; chips [integrated circuits]; circuit board; monitors [computer programs]; monitoring apparatus, other than for medical purposes; batteries for vehicles; batteries, electric, for vehicles; electric power supply units; kilometer recorders for vehicles; battery*

chargers; charging stations for electric vehicles, all of which are apparatus and/or instruments that operate in connection with electricity. These goods are identical on the principle outlined in *Meric.*

26. In addition, I agree with the opponent that all of the applied-for goods in class 9 are essentially electric parts which are very likely to be used in motor vehicles and are complementary to the opponent's goods in class 12, will target the same users (e.g. as the relevant goods might be acquired for the purpose of replacing a vehicle part) and are likely to be distributed through the same trade channels (i.e. car manufacturers as well as authorised car dealers and service partners). If not identical to the opponent's *Vehicles and parts therefor* (for example, the Explanatory Note to Class 12 explains that this class does not include certain parts of vehicles, for example, electric batteries and mileage recorders), these goods are similar to at least a medium degree.

Class 12

27. The contested *Motorcycles; electric motorcycles; cars; electric cars; bicycles; electric bicycles; electric vehicles; mobility scooters; electric motors for mobility scooters; all-terrain vehicles; electric motors for all-terrain vehicles; utility vehicles* are all types of vehicles. As such, they fall within the opponent's broad term *Vehicles and parts therefor*. These goods are identical on the principle outlined in *Meric.*

Average consumer

28. As the case law above indicates, it is necessary for me to determine who the average consumer is for the respective goods. I must then determine the manner in which the goods are likely to be selected by the average consumer. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited,* [2014] EWHC 439 (Ch), Birss J. (as he then was) described the average consumer in these terms:

> "60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well

> informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The word "average" denotes that the person is typical. The term "average" does not denote some form of numerical mean, mode or median."

29. The average consumer of the goods at issue will be a member of general public, or a professional in the vehicle industry, including garages, repairers and specialist suppliers.

30. The parties' goods in class 9 are likely to be self-selected from the shelves of a retail outlet, from catalogues or from websites. The parties' goods in class 12 are likely to be selected from authorised car dealers, from sellers of vehicles or from websites. The average consumer will encounter the marks on some of the goods themselves – such as cars and other vehicles. For all the goods at issue the average consumer will also encounter the marks in advertising or promotional materials. Consequently, visual considerations will dominate the selection process. However, I do not discount an aural component to the purchase given that advice may be sought from retail assistants.

31. The parties' goods in class 12 entail considerable cost and will be carefully considered purchases, made infrequently, with a high degree of attention.[3] Purchasing parts for the same will entail a medium level of care to ensure compatibility. The average consumer accessing the parties' goods in class 9 will select them with a medium degree of attention, considering factors such as technical functions, and compatibility with other apparatus/vehicles.

Comparison of marks

32. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual

[3] *Ruiz Picasso V OHIM, DiamlerChrysler* AG C-361/04 P

similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The CJEU stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

> ".....it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion."

33. It would be wrong, therefore, to artificially dissect the trade marks, although it is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks. The respective marks are shown below:

The applied-for mark	**The opponent's earlier mark**
BMU	BMW

Overall impression

34. Both marks are word-only marks. The applied-for mark consists of the three-letter sequence 'BMU'. The opponent's earlier mark consists of the three-letter sequence 'BMW'. There are no other elements to the overall impression, which lies in these strings of letters.

Visual similarity

35. Visually, the marks share the first two letters ‘B’ and ‘M’. The letter ‘U’ in the application and ‘W’ in the earlier mark are a point of visual difference. Bearing in mind that: (1) both marks are short marks made up of only three letters; (2) the beginnings of marks (which in this case are identical) are more focused upon, and (3) the letters ‘U’ and ‘W’ although different, present some visual similarities, as the letter ‘W’ results from placing two letters ‘V’ together, and the letter ‘V’ is similar to the letter ‘U’, the difference being that the letter ‘V’ is more angular and compressed than the letter ‘U’, I consider that the marks are visually similar to a medium to high degree.

Aural similarity

36. Aurally, both marks will be pronounced by saying their letters, that is to say as ‘B’, ‘M’, ‘U’ (as YOU) and ‘B’, ‘M’, ‘double-U’ (as double YOU). The only difference between the marks is in the last letter (‘U’ versus ‘double-U’). I consider that the marks are visually similar to a medium to high degree.

Conceptual similarity

37. Conceptually, both marks will be perceived as random strings of letters or as acronyms (though the average consumer will not be aware of what the letters stand for). As neither mark convey any meaning, the conceptual position is neutral.

Distinctive character of the earlier mark

38. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV,* Case C-342/97, the CJEU stated that:

> “22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-

108/97 and C-109/97 *WindsurfingChiemsee* v *Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51)."

39. Registered trade marks possess various degrees of inherent distinctive character, ranging from the very low, because they are suggestive or allusive of a characteristic of the goods or services, to those with high inherent distinctive character, such as invented words, which have no allusive qualities. The distinctiveness of a mark can be enhanced by virtue of the use made of it.

40. The earlier mark consists of the three-letter sequence 'BMW'. As it will be recalled, I have concluded that although the relevant public will perceive 'BMW' as an acronym, it will not be aware of what the letters stand for and will not attribute it any meaning.
41. Having said that, the mark is only three-letters long, and short random combinations of letters are not particularly distinctive per se. The mark is, in my view, distinctive to a low to medium degree. This is the inherent position.

42. The opponent states that the evidence attached to the witness statement of Harald Frey shows that, as at the relevant date, 'BMW', had enhanced distinctive character through the longstanding and widespread use that has been made of it in the UK over several years. I will now turn to consider whether the evidence filed by the opponent is sufficient to establish that the earlier mark has acquired an enhanced degree of distinctiveness.

43. Mr Frey states that the opponent has been manufacturing motorcycles, vehicles and their parts under the earlier mark since 1928 and that after World War II, the opponent grew to become one of the largest and best-selling car makers and one of the most well-known brands worldwide, selling more than 2 million vehicles worldwide in 2014 for the first time in its history.

44. In terms of market share, in the five years prior to relevant date, 'BMW' cars ranked 3rd or 4th out of over 40 brands in terms of number of cars registered in the UK per annum and the UK market share for BMW cars was consistently over 5.8% per year as follows:[4]

Year	UK Market share in %	Relative rank of market share among other car brands in reports
2019	7.34	4th out of 43
2020	7.08	3rd out of 44
2021	7.08	3rd out of 43
2022	6.73	4th out of 45
2023	5.87	4th out of 49

45. The UK market share for BMW motorcycles in each of the five years prior to relevant date were consistently higher than 16% for motorcycles as shown below:

Year	For motorcycles with an engine size of 500cc or more	For motorcycles with an engine size of between 250cc and 500cc
2019	16.60%	5.90%
2020	16.50%	3.60%
2021	17.60%	4.30%
2022	16.70%	3.50%
2023	16.80%	4.40%

[4] HF6

46. In the five years prior to the relevant date the approximate number of cars sold in the UK under the earlier mark and the approximate revenue has been as follows:[5]

Year	Approximate number	Approximate revenue €bn
2019	over 161,000	3.2
2020	over 121,000	2.5
2021	over 121,000	3.0
2022	over 94,000	3.6
2023	over 125,000	3.6

47. Meanwhile the approximate number of motorcycles sold in the UK under the BMW mark between 2019 and 2023 and the approximate wholesale revenue derived from such sales were as follows:

Year	UK sales	Approx. wholesale revenue
2019	over 9,000	£104 million
2020	over 7,000	£88 million
2021	over, 8,900	£110 million
2022	over 8,600	£110 million
2023	over 9,200	£128 million

48. In the 6 years prior to the relevant date the opponent spent significant amounts on marketing the opponent's goods under the earlier mark in the UK. As may be seen from paragraph 22 of Mr Frey's statement, between 2018 and 2023, the opponent spent the following approximate sums:

Year	Approximate Spend in million €
2018	87
2019	81
2020	79
2021	80
2022	73
2023	60

49. The opponent's BMW vehicles have received several prestigious awards from UK industry experts and publications such as, among others, the "Car of the Year" award

[5] Exhibit HF7

by “What Car?” and also “New Car Award” endowed by “Autocar” in the category “Electric Car of the Year”.[6]

50. The earlier mark has been in use throughout the UK with over 130 authorised dealerships across the UK selling vehicles, vehicle parts and/or accessories under the BMW mark and over 40 authorised dealerships across the UK selling motorcycles, motorcycle parts and/or accessories under the BMW mark. These dealerships and show rooms are across the UK.

51. The opponent’s evidence is brief but very concise, and ticks all the right boxes for finding that the opponent’s earlier mark ‘BMW’ enjoyed a very strong reputation in relation to cars and motorcycles. In this connection, (i) the geographically widespread use; (ii) the UK market share amounting to over 16% for motorcycles, and nearly 6%, for cars, with the opponent’s cars being ranked 3rd and 4th of over 40 brands in terms of number of cars registered in the UK, (iii) the opponent’s revenue being nearly £16 billion (for cars) and £540million (for motorcycles) over the five year period preceding the relevant date, and (iv) the promotional spent being £45million over the six year period preceding the relevant date, all point towards a very strong reputation being enjoyed by the earlier mark ‘BMW’ for cars and motorcycles at the relevant date in the UK. I also find that as a result of such a strong reputation, the distinctiveness of the earlier mark has been enhanced to a very high in the context of cars and motorcycles which fall within the claimed goods in class 12.

Likelihood of confusion

52. There is no scientific formula to apply in determining whether there is a likelihood of confusion; rather, it is a global assessment where a number of factors need to be borne in mind, including that a lesser degree of similarity between the respective marks may be offset by a greater degree of similarity between the respective goods and vice versa. I must keep in mind the distinctive character of the earlier mark, the average consumer for the goods and the nature of the purchasing process. I must be alive to the fact that the average consumer rarely has the opportunity to make direct

[6] HF11 and HF12

comparisons between marks and must instead rely upon the imperfect picture of them that they have retained in their mind.

53. Confusion can be direct or indirect. In *L.A. Sugar Limited v By Back Beat Inc*, BL O/375/10, Mr Iain Purvis Q.C., as the Appointed Person, explained that:

> "16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: 'The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark'.
>
> 17. Instances where one may expect the average consumer to reach such a conclusion tend to fall into one or more of three categories:
>
> (a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using it in a trade mark at all. This may apply even where the other elements of the later mark are quite distinctive in their own right ('26 RED TESCO' would no doubt be such a case).
>
> (b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or brand extension (terms such as 'LITE', 'EXPRESS', 'WORLDWIDE', 'MINI' etc.).

(c) where the earlier mark comprises a number of elements, and a change of one element appears entirely logical and consistent with a brand extension ('FAT FACE' to 'BRAT FACE' for example)."

54. In *Liverpool Gin Distillery Ltd & Ors v Sazerac Brands, LLC & Ors* [2021] EWCA Civ 1207, Arnold LJ approved Mr Purvis's formulation but added:

> "13. As James Mellor QC sitting as the Appointed Person pointed out in Cheeky Italian Ltd v Sutaria (O/219/16) at [16] 'a finding of a likelihood of indirect confusion is not a consolation prize for those who fail to establish a likelihood of direct confusion'. Mr Mellor went on to say that, if there is no likelihood of direct confusion, 'one needs a reasonably special set of circumstances for a finding of a likelihood of indirect confusion'. I would prefer to say that there must be a proper basis for concluding that there is a likelihood of indirect confusion given that there is no likelihood of direct confusion."

55. It is not sufficient that a mark merely calls to mind another mark: *Duebros Limited v Heirler Cenovis GmbH*, BL O/547/17. This is mere association not indirect confusion.

56. Earlier in this decision I found that:

- The applicant's mark 'BMU' and the opponent's earlier mark 'BMW' are visually and aurally similar to a medium to high degree, and conceptually neutral.

- The parties' goods in classes 9 and 12 are identical. In addition, the contested goods in class 9 are similar to at least a medium degree to the opponent's goods in class 12 (for which the opponent has a strong reputation).

- The average consumer will select the goods mainly visually, with a medium or high degree of attention, though the contested goods in class 12 will attract a high degree of attention.

- The earlier mark 'BMW' is inherently distinctive to a low to medium degree. The evidence filed by the opponent is sufficient to establish that distinctiveness of the earlier mark has been enhanced to very high as a result of the use the opponent has made of it.

57. Admittedly, some of the opponent's goods (i.e. those in class 12) will be selected with a high degree of attention. If I were to decide the case based on the inherent position, I would conclude that the difference between the letter 'U' at the end of the applied-for mark, and the letter 'W' at the end of the earlier mark, would be sufficient for an average consumer deploying a high degree of attention to distinguish between the marks. However, as it will be recalled, the earlier mark has acquired an enhanced degree of distinctiveness, and it has become distinctive to a very high degree in the context of some of the goods which will be selected using a high degree of attention. In *Aveda Corporation v. Dabur India Ltd* [2013] EMTR 33 at [48] Arnold J (as he then was) said:

> "The human eye has a well-known tendency to see what it expects to see and the human ear to hear what it expects to hear. Thus, it is likely that some consumers would misread or mishear UVEDA as AVEDA"

58. See also a similar point made in *Lewis v. Client Connection Ltd* [2011] EWHC 1627).

59. In my view, a similar principle applies in this case – this is all of the more so since the distinguishing elements 'U' and 'W' are placed at the end of the marks. Bearing in mind the medium to high degree of visual and aural similarity between the marks, the very high degree of distinctiveness of the earlier mark 'BMW' is such that it is likely to tip the balance in favour of the opponent. Accordingly, I reach the conclusion that it is likely that a significant part of the relevant consumers would misread or mishear 'BMU' as 'BMW' when identical goods in class 12 are involved. The same conclusion applies, in my view, to the opposed goods in class 9, insofar as they can all be used in connection with the opponent's core products, i.e. cars and motorcycles. There is a likelihood of direct confusion.

60. The opposition succeeds in its entirety under Section 5(2)(b).

Section 5(3)

61. Section 5(3) states:

> "(3) A trade mark which-
>
> is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark".

62. In *General Motors,* Case C-375/97, the CJEU held that:

> "25. It cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trade mark must be known by a given percentage of the public so defined.
>
> 26. The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.
>
> 27. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it.
>
> 28. Territorially, the condition is fulfilled when, in the terms of Article 5(2) of the Directive, the trade mark has a reputation 'in the Member State'. In the absence of any definition of the Community provision in this respect, a trade mark cannot be required to have a reputation 'throughout' the territory of the Member State. It is sufficient for it to exist in a substantial part of it."

63. As it will be recalled I have found that, it is likely that the distinctiveness of the opponent's earlier mark has been materially increased to a very high degree in relation to the opponent's cars and motorcycles (in class 12). I also found that the opponent's earlier mark enjoys a strong reputation in relation to the same goods.

The Link

64. As I noted above, my assessment of whether the public will make the required mental 'link' between the marks must take account of all relevant factors. The factors identified in *Intel* are:

- The degree of similarity between the conflicting marks. The applied-for mark and the earlier mark are visually and aurally similar to a medium to high degree and conceptually neutral.

- The nature of the goods or services for which the conflicting marks are registered, or proposed to be registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public. The contested goods in class 12 are identical or similar to those in relation to which the opponent has established a strong reputation (i.e. cars and motorcycles), as they are all types of land vehicles. The contested goods in class 9 are similar to, at least, a medium degree to the opponent's cars and motorcycles insofar as they can all be used in connection with the opponent's goods.

  The relevant public is a member of the general public or a business user paying a medium or high degree of attention.

- The strength of the earlier mark's reputation. The earlier marks' reputation is strong.

- The degree of the earlier mark's distinctive character, whether inherent or acquired through use. The earlier mark is inherently distinctive to a low to

medium degree and its distinctiveness has been enhanced to a very high degree in relation to the goods for which it holds a strong reputation.

- Whether there is a likelihood of confusion. I have found that there is a likelihood of confusion in relation to all of the contested goods.

Conclusions on Link

65. Bearing in mind all of the above, I find that a link will be made between the marks particularly given the strength of the opponent's reputation and the closeness of the goods which I found to be identical or similar to the core products in relation to which the opponent enjoys a strong reputation. Even if I am wrong, and the high level of attention is sufficient to avoid the marks being directly confused, the medium to high level of similarity between the marks is such that a link will inevitably be made in the mind of the consumer for goods which belong to the same or a close field of activity.

Damage

66. I must now consider whether any type of damage pleaded will arise.

Unfair Advantage

67. In *Jack Wills Limited v House of Fraser (Stores) Limited* [2014] EWHC 110 (Ch) Arnold J. (as he then was) considered the earlier case law and concluded that:

> "80. The arguments in the present case give rise to two questions with regard to taking unfair advantage. The first concerns the relevance of the defendant's intention. It is clear both from the wording of Article 5(2) of the Directive and Article 9(1)(c) of the Regulation and from the case law of the Court of Justice interpreting these provisions that this aspect of the legislation is directed at a particular form of unfair competition. It is also clear from the case law both of the Court of Justice and of the Court of Appeal that the defendant's conduct is most likely to be regarded as unfair where he intends to benefit from the reputation and goodwill of the trade mark. In my judgment, however, there is

nothing in the case law to preclude the court from concluding in an appropriate case that the use of a sign the objective effect of which is to enable the defendant to benefit from the reputation and goodwill of the trade mark amounts to unfair advantage even if it is not proved that the defendant subjectively intended to exploit that reputation and goodwill."

68. In its Form TM7, the opponent states:

> *"The use of the opposed mark would amount to an exploitation of this link and would enable the applicant to free-ride on the reputation of the Opponent's earlier mark. As such, and as the Opponent has not consented to the registration and/or use of the opposed mark, such activity on the part of the applicant, if permitted, would enable the applicant to take an unfair advantage of the distinctive character and repute of the opponent's earlier mark to further its own business."*

69. To the extent that the relevant public believe that the goods of the applicant are those of the opponent, there will plainly be unfair advantage. Further, there is evidence that the opponent has invested significant amounts in promotional activities. It is, therefore, clear that there is a likelihood that the applicant will gain an unfair advantage from use of its mark as a result of benefitting from the investment made by the opponent in promoting the mark and from association with a business that is very successful and renowned. But even if the link is such that the earlier mark is brought to mind without the consumer being confused, the strength of the earlier mark's reputation is such that there will still be an unfair advantage, through, for example, an image transfer between the image of the earlier mark as a reliable, high performance, long standing brand for cars and motorcycles and the applicant's vehicles in class 12 and vehicle-related goods in class 9.

70. As I have found unfair advantage, I do not need to consider the other pleaded heads of damage.

71. The opposition based upon section 5(3) of the Act also succeeds.

Section 5(4)(a)

72. Section 5(4)(a) states:

> "(4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented-
>
> > (a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, where the condition in subsection (4A) is met,
> >
> > (aa) […]
> > (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."

73. Subsection (4A) of Section 5 states:

> "(4A) The condition mentioned in subsection (4)(a) is that the rights to the unregistered trade mark or other sign were acquired prior to the date of application for registration of the trade mark or date of the priority claimed for that application."

74. In *Discount Outlet v Feel Good UK,* [2017] EWHC 1400 IPEC, Her Honour Judge Melissa Clarke, sitting as a deputy Judge of the High Court, conveniently summarised the essential requirements of the law of passing off as follows:

> "55. The elements necessary to reach a finding of passing off are the 'classical trinity' of that tort as described by Lord Oliver in the *Jif Lemon* case (*Reckitt & Colman Product v Borden* [1990] 1 WLR 491 HL, [1990] RPC 341, HL), namely goodwill or reputation; misrepresentation leading to deception or a likelihood of deception; and damage resulting from the misrepresentation. The burden is on the Claimants to satisfy me of all three limbs.

56. In relation to deception, the court must assess whether *"a substantial number"* of the Claimants' customers or potential customers are deceived, but it is not necessary to show that all or even most of them are deceived (per *Interflora Inc v Marks and Spencer Plc* [2012] EWCA Civ 1501, [2013] FSR 21)."

75. Halsbury's Laws of England Vol. 97A (2021 reissue) provides further guidance with regard to establishing the likelihood of deception. In paragraph 636 it is noted (with footnotes omitted) that:

"Establishing a likelihood of deception generally requires the presence of two factual elements:

(1) that a name, mark or other distinctive indicium used by the claimant has acquired a reputation among a relevant class of persons; and

(2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other indicium which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as two successive hurdles which the claimant must surmount, consideration of these two aspects cannot be completely separated from each other.

The question whether deception is likely is one for the court, which will have regard to:

(a) the nature and extent of the reputation relied upon,

(b) the closeness or otherwise of the respective fields of activity in which the claimant and the defendant carry on business;

(c) the similarity of the mark, name etc used by the defendant to that of the claimant;

(d) the manner in which the defendant makes use of the name, mark etc complained of and collateral factors; and

(e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.

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

The relevant date for Section 5(4)(a)

76. In *Advanced Perimeter Systems Limited v Multisys Computers Limited,* BL O-410-11, Mr Daniel Alexander QC, as the Appointed Person, endorsed the registrar's assessment of the relevant date for the purposes of Section 5(4)(a) of the Act, as follows:

"43. In *SWORDERS TM* O-212-06 Mr Alan James acting for the Registrar well summarised the position in s.5(4)(a) proceedings as follows:

'Strictly, the relevant date for assessing whether s.5(4)(a) applies is always the date of the application for registration or, if there is a priority date, that date: see Article 4 of Directive 89/104. However, where the applicant has used the mark before the date of the application it is necessary to consider what the position would have been at the date of the start of the behaviour complained about, and then to assess whether the position would have been any different at the later date when the application was made.' "

77. The *prima facie* relevant date is the date the contested mark was filed, and the applicant has not provided any evidence of use which could establish an earlier filing date.

78. I can deal with this ground swiftly. I find that the opponent had a strong goodwill for the registered goods in classes 12 at the relevant date (being the filing date of the applied-for mark). Whilst the test for misrepresentation is different from that for likelihood of confusion in that it entails *"deception of a substantial number of members of the public" rather than "confusion of the average consumer*", it has been acknowledged that they are unlikely to produce different outcomes in practice.[7] I find that to be the case here. There is plainly a likelihood of misrepresentation and damage, given the identicality or closeness of the fields of activity.

OUTCOME

79. The opposition has been successful under all grounds and the applied for mark will be refused registration.

COSTS

80. The opponent has been successful and is, therefore, entitled to a contribution towards its costs based upon the scale published in Tribunal Practice Notice 1/2023. In the circumstances, I award the opponent the sum of £1,300 as a contribution towards the costs of proceedings. The sum is calculated as follows:

Filing a notice of opposition and considering the counterstatement: £400
Filing evidence: £700
Official Fees: £200
Total: £1,300

81. I therefore order KWANG YANG MOTOR CO., LTD. to pay Bayerische Motoren Werke Aktiengesellschaft the sum of £1,300. This sum is to be paid within 21 days of

[7] *Marks and Spencer PLC v Interflora* [2012] EWCA (Civ) 1501

the expiry of the appeal period or, if there is an appeal, within 21 days of the conclusion of the appeal proceedings.

Dated this 15th day of December 2025

TERESA PINTO
For the Registrar