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**IN THE HIGH COURT OF JUSTICE IN NORTHERN IRELAND**

**CHANCERY DIVISION**

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**1998 No. 2671**

**BETWEEN:**

**BP AMOCO PLC**

**Plaintiff**

**and**

**JOHN KELLY LTD AND  
GLENSHANE TOURIST SERVICES LIMITED**

**Defendants**

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**JUDGMENT**

**GIRVAN J**

**Introduction**

The plaintiff BP Amoco Plc (“BP”) is a well known multi national corporation which is concerned in exploration for and production of oil and gas, refining and the marketing and sale of oils, fuels, lubricants and chemicals. It brings this action against the first defendant John Kelly Ltd (“Kelly”), a Northern Ireland registered company also involved in the sale and distribution of oils, fuels and lubricants though on a much smaller scale. Kelly operates a small chain of petrol filling stations in Northern Ireland operating under the trade name TOP. One of its licensees or franchisees is the second defendant which runs a filling station under the TOP brand at Glenshane Road, Maghera, County Londonderry (“the Glenshane filling

station”). BP’s case against the defendants is that they are infringing BP’s UK registered trade marks numbers 1469512 and 1469513 by using the colour green on the whole or a substantial part of the exterior of the TOP service stations in Northern Ireland and that they are thereby committing the tort of passing off their TOP branded filling stations and premises and oils, fuels and lubricants as and for those of BP or as otherwise connected with BP’s business. BP seeks injunctive relief and other remedies arising out of the alleged infringement of its rights.

Mr Hobbs QC and Mr Drennan appeared on behalf of BP at the trial of the action which took place between 8 and 15 May 2000. Mr Shipley and Mr Martin appeared for the defendants. The court is indebted to counsel for their careful and helpful presentation of the case and for the quality of their written and oral submissions.

### **The Factual Background Relating to the BP Stations**

BP operates a chain of some 22,000 petrol filling stations worldwide of which 1,700 are located in the United Kingdom and of which some 145 are in Northern Ireland. These filling stations which vary in size and layout operate in a common dark green livery, the precise shade of which can be defined by reference to a standard called Pantone 348C. It is BP’s case that it holds valid trade marks giving it the exclusive right to use that colour as the brand identifier of petrol filling stations within the United Kingdom. It claims that the use of that colour is distinctive of its network and of membership of that network. BP uses a logo consisting of the two letters B and P in yellow large case set within a green shield outlined in yellow. From early times green and yellow have been used by BP as identifying colours. According to its document “An Image for the 90s” the colours green and yellow were decided on in France in 1923 following an evidently agreeable lunch in a restaurant near Paris. Through the years since the early 1920s BP’s livery in its filling stations has periodically changed though the pervading theme always was to incorporate green though not

always of the same shade together with yellow as the key colours. In the 1950s white was added as one of the colours. In the 1950s and 60s the white, green and yellow livery was generally applied though not in a uniform manner. In November 1986 a new imaging project called "Project Horizon" was initiated following a marketing strategy group meeting. It was decided to have a universally consistent system of presenting filling stations and the new re-imaging scheme was to cover corporate brand image, lubricants, tankers and all other aspects of BP's business. A major research programme was undertaken. The research revealed that there was little differentiation between BP and its competitors apart from colour, pole signs and canopy edge which were the critical communicators. Colour was intrinsically more important than architecture. BP was the best recognised brand in the UK, the difference being the use of colour. The colour green together with yellow and the shield were strong BP equities and of critical importance. MAS Research Marketing and Consultancy Limited in their findings to BP concluded that based on research conducted one could not be dogmatic about the actual shade of green and yellow that could or should be used. At worst they should retain their familiarity. One could be dogmatic that in the future a green, yellow and neutral spectrum should be used.

In July 1988 the BP Board of Directors approved the budget for Project Horizon with a rollout date of July 1989. A mock up site was developed in Oxfordshire to experiment with suitable designs. The relevant steering groups and contractors experimented with pole signs, shades of green and all aspects of service stations. Yellow as BP's second colour was used as the accent colour. Consideration was given to consumer expectations particularly ensuring that service stations' signage was clear and visible enough to allow motorists to slow down without any risk of accidents. According to Mr Perry, the project manager, the new design was arranged so that the motorist could see a canopy and pole sign from a distance and quickly identify the site as BP even though it could be too far to read the BP name and logo.

Long distance recognition by colour was regarded as of importance particularly in rural areas or on A roads, dual carriageways and motorways where the motorist was travelling at speed. Pantone shade 348C was decided on as the appropriate green to use.

Experimentation on colour and design was also carried out in the United States. As a result of the combination of research BP decided to go for a design incorporating a bull nose canopy and using Pantone shade 348C incorporating the BP logo and using green with yellow as the accent colour. In December 1988 the launch of the new corporate image was announced and the project got underway in two parts, first the re-imaging of the existing network of sites and secondly building new sites. Sites were graded with different levels for re-imaging purposes. Level 1 related to smaller sites with flat face canopies and stand alone pumps. The new image was applied by repainting the surfaces. Level 2 related to sites in key locations but which had volumes of trade that did not justify the cost of the top level of re-imaging treatment. The sites had flat faced canopies and stand alone pumps with spreaders above and a main identification sign (usually called a MID) and additional secondary or auxiliary signage. A level 3 site was the top re-imaging standard applied to key sites in prime highly visible locations. These comprised the new bull nose canopy edge, stand alone pumps with large spreaders, back lighting and a full sized newly designed MID. The term level 5 was applied to new build sites to be implemented in Spring 1991. This design incorporated the bull nose canopy and other features similar to level 3 but to a higher standard. The term level 4 was applied to some very new existing sites at the top end of the re-imaging. These are re-imaged to look as close as possible to level 5.

Prototype sites were imaged to level 3 specification and customer research was carried out. That research indicated a positive response to the new image and satisfied BP that the colour was regarded as a strong feature.

The process of re-imaging BP which was to be carried out on a global scale started in the United Kingdom including Northern Ireland and in Holland, Austria and Singapore. Eventually 21,700 service stations were re-imaged in 50 different countries. From Spring 1991 the new level 5 design became the global standard for BP new sites. The policy was intended to achieve a position whereby BP equalled green and green equalled BP in the public eye. BP undertook a major advertising campaign in the United Kingdom and in other countries particularly in the USA. In the advertising there was a consistent emphasis on the colour green as a non verbal brand identifier.

Following the implementation of Project Horizon there was an uplift of sales in the United Kingdom amounting to 6%. Apart from the new colour scheme the re-imaging involved upgrading and improving the general appearance of filling stations and this would have influenced the growth in the sales.

In 1996 BP and Mobil Oil Europe combined their European operations. As a result 3,100 Mobil sites across Europe were re-branded as BP sites of which 536 were in the United Kingdom. There were none in Northern Ireland. Within the industry the concept of co-branding is relatively common. BP has a co-branding arrangement with Safeways. This co-branding arrangement relates to specific sites where petrol and forecourt services are provided by BP and shop services are provided by Safeway. The partnership is communicated to the public in the MID. The BP logo and colour scheme is used beneath the Safeway red and white device. There was no evidence before the court that there were any co-branded sites in Northern Ireland.

The re-imaging of BP sites in Northern Ireland proceeded along essentially similar lines to the project in the rest of the United Kingdom. BP received no information suggesting that retailers or consumers perceived the colour green as giving rise to any political statement or indication of an Irish connection. The cost of re-imaging in Northern Ireland was about

£1.5 million. The total cost in the United Kingdom was about £29 million. There are now currently three level 5 sites in Northern Ireland at Dungannon, Portstewart and Coleraine. There are some 20 level 3 sites.

The principal retail identifying elements of BP service stations are the main identifying signs (the MIDs), the canopy and the fuel dispensing area. Mr Golsong, BP's Corporate Identity Manager, in his evidence, which I accept, stated that the MID sign is a focal point of the premises. It is the prime brand carrier signifying the BP brand in a highly visible way, providing differentiation from competing service stations and it is a conveyor of green. It displays very prominently the BP logo. It is five to ten metres high to maximise long distance identification. The purpose is to attract the eye of the motorist as advanced notification so that the driver has time to slow down and stop and buy. As traffic speeds have increased since the 1950s the MID has become more and more conspicuous. On a motorway the MID may be seen half a mile in advance and thus before the written material on the MID is legible. There is however no evidence of any such motorway filling station in Northern Ireland. The BP canopy fascia is also a prime brand carrier and conveyor of green. It is generally placed perpendicular to the pumps so that it is visible as customers approach the pumps. As with the MID the canopy acts to attract the eye of the motorist as advanced notification of the site. In levels 3, 4 and 5 one or two sides of the canopy fascia contained the bull nose design. The canopy fascia adjoining the bull nose is flat. The bull nose canopy fascia carries a horizontal neon light along its full length and provides an architectural differentiation from competing stations. At levels 1 and 2 where the canopy is flat faced the canopy has a fluorescent yellow line along the bottom of the edge instead of the neon light. The clearly legible and easily visible letters BP in yellow appear on the most prominent corner of each canopy fascia.

The fuel dispensing area is also designed to reinforce brand image with the use of green as the major corporate colour. From a distance the brand identifier the motorist will first see is the colour applied to the MID and canopy. When the motorist gets closer he will see the BP in the shield logo and the letters BP on the canopy.

### **The Registration of the Trade marks**

The details relating to the application for and registration of the relevant trade marks featured at some length in the trial and raise issues relied on by Kelly in attacking the validity of the marks. It is thus necessary to deal with those details at some length.

BP lodged in the Patent Office two applications under the Trade Marks Act 1938 for trade marks on forms TM3. Each application was dated 25 June 1991 and lodged on 29 June 1991. The first application was in respect of oils and greases, lubricants, fuels, transmission oils and hydraulic oils being within Class 4. The second was in respect of vehicle lubrication, maintenance, cleaning and repair, anti-rust treatment for vehicle washes, vehicle service stations, vehicle upholstery repair, vehicle tyre fitting and repair, all included in Class 37. In Section 5 of each application a coloured photograph was inserted depicting a level 5 filling station with the relevant surfaces shown green. The photographs showed the canopy bearing the letters BP and the word “welcome” in yellow and the MID showed the BP shield logo.

In TM3 in respect of Class 4 paragraph 9 stated that-

“The mark consists of the colour green applied to the exterior surfaces of the premises used for the supply of the said goods as depicted in the representation attached to the form of application.”

In the TM3 in respect of the goods and services falling within Class 37 the wording of paragraph 9 read –

“The mark consists of the colour green, applied to the exterior surfaces of the premises used for the supply of the said services as depicted in the representation attached to the form of application.”

The green depicted on the photograph was apparently of the shade Pantone 348C. The photograph related to a filling station near Chessington Zoo, Surrey being a level 5 design.

The registrar objected to the registration of the trade marks and ultimately there was a hearing. In July 1994 the Registry indicated that it was prepared to proceed with the two applications under Part B of the register on the basis that the applications would be advertised before acceptance provided that agreement could be reached on a word specification that would suitably protect other parties who used the colour green to denote unleaded petrol pumps on forecourts. Mr Harkness of the Registry said that he had concerns about how the marks should be represented and described, saying that he thought that it would be necessary to describe the shade of green or to do this by “heraldic shading”. The term “heraldic shading” refers to the so called Heraldic Convention for the representation of coloured marks in black and white in the Trade Marks Journal which has not and does not have the capacity to publish in colour. Under the Heraldic Convention green is represented by diagonal lines descending left to right. The Convention should be used when preparing blocks for printing representations of marks. The Registry’s explanation of the Convention added that intermediate colours should as far as possible be shown by increasing or diminishing the intersiting of the lines.

By letter of 19 October 1994 BP enclosed an example of how the trade marks sought should be advertised in the Trade Marks Journal. This described the mark within Class 37 thus -

“The mark consists of the colour green as applied to the exterior surface of the premises used for the supply of the services, as exemplified in heraldic shading in the above representation.

Registration of this trade mark shall give no right to the exclusive use of the colour green as applied to pump nozzles and hoses for delivery of unleaded petrol.”



On 9 January 1995 the Trade Marks Registry asked BP's Trade Marks Agent to supply a camera ready copy of the mark in heraldic shading for the purpose of advertising in the Journal. On 13 January 1995 BP returned the original TM3 documents amended replacing the photograph depictions contained in the originals with a line drawing marking the surfaces of the canopy MID, spreaders, pumps and shop displays in dark green apparently in shade Pantone 348C. In respect of each application the draftsman erroneously amended paragraph 9 of the TM3 documents to refer to the mark. Thus in the case of the mark within Class 4:

“The mark, here depicted in heraldic shading, consists of the colour green as applied to the exterior surface of the premises used for the sale of the goods. Registration of this mark shall give no right to the exclusive use of the colour green as applied to pumps, nozzles and hoses for delivery of unleaded petrol.”

(The reference to “pumps, nozzles and hoses for delivery of unleaded petrol differed from the Registry's suggested wording, perhaps significantly.)

Since the drawing inserted in paragraph 5 of TM3 showed the areas actually marked in a green colour the reference to a depiction in heraldic shading was misplaced.

On 19 January 1995 BP sent to the Registry a camera ready copy for the Journal depicting the filling station with the area intended to be marked green marked with heraldic shading for green. The applications were then advertised on 29 March 1995. After expiry of the appropriate time for opposition the Registry in July 1995 proceeded to register the trade marks under numbers 1469512 and 1469513 with effect from 29 June 1991 being the original date of the applications. The registration certificate sealed on 14 July 1995 showed the marks depicted in heraldic shading as applied to the exterior surface of the depicted premises. By certificate issued by the patent office dated 3 May 2000 an authorised officer of the Patent Office certified that attached to the certificate was a true copy of the entry in the Register related to the trade marks.

## **The Factual Background Relating to Kelly's Colour Scheme and its Filling Stations**

Kelly is a Northern Ireland registered company which is a sister company of Tedcastle Oil Products Ltd ("TOP") a company registered in the Republic of Ireland. Both appeared to be subsidiaries of Tedcastle Holdings Ltd. TOP operates a chain of petrol filling stations in the Republic.

As a result of market research carried out by MRC (Ireland) Limited ("MRC") in 1996 the TOP decided to adopt a green livery on Tedcastle Filling Stations in the Republic and to use the letters TOP as the brand name on the canopy and on its MID. As set out in a presentation to TOP in October 1996 the MRC research found that the branding of Tedcastle Stations up to then was considered to be drab and uninspiring and its existing colour scheme lacked impact. MRC considered a new logo to replace the existing logo of a castle which it considered inappropriate for petrol fitting stations and suggested TOP. It considered various colour schemes including grey (which it considered lacked impact and was a copy of the Jet colour scheme, Jet being a chain of filling stations which had been taken over by Statoil in the Republic). It considered pale green but while it was a favourite with some respondents it came down in favour of dark green which it considered to be a clear favourite, was distinctive and "a new image in petrol retailing", modern, Irish and environmentally friendly. Although MRC in its presentation to TOP pointed out that grey was associated with Jet its report did not point out that it was recommending the use of a shade of green close to that used worldwide by BP although it is correct to say that BP was not marketed in that form in the Republic of Ireland where BP was not represented in a significant way.

Following MRC's recommendations TOP engaged a design agent to design works to produce the final design. This incorporated the use of dark green in the canopy MID and the use of TOP letters in lower case in white together with a five colour spectrum (often referred to apparently as "feathers" or "wings"). This spectrum included in the middle the colour

yellow which stands out to an extent. The red feather being the largest of the splashes of colour in the feather logo is the most obvious of the colours.

Mr O'Gaora of Design Works in his statement of evidence which was not challenged in cross examination stated that in exploring the colour Design Works had several considerations in mind including the fact that the colour should reflect the Irish credentials of TOP and the colour should be distinctive but not have a negative visual impact on the environment of small towns and rural areas where the brand might find itself and that the colour should be used in a considered rather than a monolithic manner. They looked at how colour was being used in forecourts. In particular Statoil and BP appeared to him to use colour in a very saturated heavy-handed manner. Mr Brandon the present group General Director of Holdings stated in paragraph 5 of his statement of evidence that the reasons, set out in the briefing paper to the design consultants, the design had to be clear from a distance and at a speed was because the designers usually designed things that people stand and look at whereas for a petrol filling station people are travelling at speed.

The new brand image was used in TOP filling stations in the Republic of Ireland from 1997 onwards. The position in Northern Ireland was somewhat different because Kelly was a separate company albeit within the Tedcastle Group. Kelly decided to adopt the same format in Northern Ireland. This required the approval of Holdings which was forthcoming. The first TOP branded station opened in Northern Ireland in June 1997 when Sean Tusker opened his station at Laurencetown under the TOP livery. Kelly now has five filling stations operating in its livery in Northern Ireland at Dungannon, Portaferry, Enniskillen, Irvinestown and Glenshane.

Mr Reihill Managing Director of Kelly frankly accepted in his evidence that Kelly had not been aware that BP had relevant trade marks, had not carried out a trade mark search, that the discovery that it had trade marks would have caused him to re-consider the bringing

of the livery to Northern Ireland and that if it had known about the registered trade marks there would have been every chance that Kelly would not have taken the decision which they reached.

In the manuscript transcript notes of market research carried out by MRC Ireland Limited leading to its October 1997 report to Kelly the notes recorded the reaction of persons interviewed about the new TOP colour scheme. It appears that when referred to photographs of TOP filling stations the respondent's are recorded as saying that they look like BP stations and in relation to TOP filling stations the recorded response was "look like BP".

One concern which Kelly had before it introduced the colour scheme into Northern Ireland was in relation to the question whether green would produce a negative response amongst Kelly customers in the Protestant community because of the possible Irish credentials of the colour. MRC carried out research on that topic for Kelly. The MRC report of October 1997 stated that rather than associate the green colour with Irish connotations the respondents tended to associate the green colour with environmental friendliness and considered it to be a deliberate move on the part of Kelly to come across as being environmentally friendly. The report also stated that it was frequently compared to the BP colours. The report also showed that the word TOP meant little to potential customers and it was not a recognised trading name.

Kelly regards its new livery incorporating the green colour and the TOP logo and coloured wings as distinctive trade marks at least in the non-technical sense. Thus for example in its agreement with the second defendants Kelly requires the second defendants to agree during the continuance of the supply agreement with them to properly use "trade marks" which by the agreement are defined as including distinctive colour schemes brand names and devices associated with the name TOP and Tedcastle Oil Products.

## **BP's Claims and Kelly's Objections**

BP asserts that it has validly registered trade marks which give it the exclusive right to use green Pantone 348C on the exterior surface of filling stations selling products in the ranges covered by the trade marks. It claims that the defendants and each of them have infringed those trade marks by using a sign which is identical with the trade marks in relation to goods and services which are identical with those for which they are registered or alternatively the sign is identical or similar to the trade marks and there exists a likelihood of confusion on the part of the public which includes the likelihood of association of the mark. Alternatively it is argued that the defendants have committed the tort of passing off by using the colour and get up which are applied to the defendant's relevant filling stations.

In their finally amended particulars of objection to the trade marks the defendants contend that –

- (a) contrary to section 3(1)(a) of the Trade Marks Act 1994 neither of the trade marks complies with the requirements of section 1(1) of the Act. The defendants in particular rely on the proposition that if and so far as other marks comprise a sign which is capable of being represented graphically the sign is not capable of distinguishing the goods or services of one undertaking from those of other undertakings and in particular does not comply and never has complied with the said section in respect of users in Northern Ireland;
- (b) contrary to section 3(1)(b) of the Act each of the trade marks is devoid of distinctive character and in particular is so devoid in respect of uses in Northern Ireland;
- (c) contrary to section 3(1)(c) insofar as either of such trade marks comprises a sign that trade mark consists exclusively of signs or

indications which may serve in trade to designate the geographical origin or other characteristics of the goods or services and in particular so consists in respect of users in Northern Ireland. The defendants contend that the colour green constitutes (at least in Northern Ireland) an indication of origin in or in connection with Ireland or the Republic of Ireland;

- (d) further or alternatively contrary to section 3(1)(c) of the Act insofar as either of the trade marks consist exclusively of signs and indications which may serve in trade to designate other characteristics of the goods and services and in particular so consists in respect of uses in Northern Ireland. In this regard the defendants contend that the colour green constitutes an indication of ecological friendliness or association therewith;
- (e) contrary to section 36 of the Act the trade marks were applied for in bad faith (at least insofar as Northern Ireland was concerned) in that the applicant for each such trade mark had no intention of making any genuine use of such trade marks in the United Kingdom or in Northern Ireland in relation to the goods or services in respect of which it is registered. In particular the defendants contend that BP never intended to construct a service station having the appearance of the service stations depicted in the drawings of the registered trade marks;
- (f) contrary to section 36 of the Act the trade marks and each of them were applied for in bad faith (at least in relation to Northern Ireland) in that the applicant for each such trade mark had no intention of making

any genuine use of such trade mark in any shade of green other than the plaintiff's particular shade of green.

Three separate issues arise in this case. Firstly, the question of the validity of the trade marks must be determined. Secondly, the question whether the defendants have infringed the marks arises. Finally there is the issue whether the defendant's mode of operation gives rise to a claim for passing off.

### **The Relevant Statutory Background and the Community Law Context**

The applications for the trade marks were made under the Trade Marks Act 1938. The trade marks were advertised for registration under Part B of the Register under the 1938 Act. As appears from the registration certificates the marks were registered under the relevant Act with effect from 10 June 1991 and in accordance with schedule 3 of the Trade Marks Act 1994 the marks have been entered in the register maintained under that Act. Under paragraph 10(1) of that schedule an application for registration of a mark under the 1938 Act which was pending on the commencement of the 1994 Act fell to be dealt with under the old law and if registered the mark was treated for the purposes of the schedule as an existing registered mark. Under paragraph 2(1) existing registered marks (whether registered in Part A or B of the Register kept under the 1938 Act) were transferred on the commencement of that Act to the Register kept under the 1994 Act and had effect subject to the provisions of that schedule as if registered under the 1994 Act. The date of commencement of the new Act was 31 October 1994.

Under section 1(1) of the 1994 Act it is provided –

“In this Act a ‘trade mark’ means any sign capable of being represented graphically which is capable of distinguishing goods or services of one undertaking from those of other undertakings.

A trade mark may in particular consist of words (including personal names), designs, letters, numerals, or the shape of goods or their packaging”.

Section 3 provides as follows as far as is material –

- “(1) The following shall not be registered –
- (a) signs which do not satisfy the requirements of section 1(1);
  - (b) trade marks which are devoid of any distinctive character;
  - (c) trade marks which consist exclusively of signs or indications which may serve in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services or other characteristics of goods or services;
  - (d) trade marks which consist exclusively of signs or indications which have become customary in the current language or in the bona fide and established practices of the trade:

provided that a trade mark shall not be refused registration by virtue of paragraph (b), (c) or (d) above if before the date of application for registration, it has in fact acquired a distinctive character as a result of the use made of it.”

Under section 3(3) the trade mark shall not be registered if it is contrary to public policy or –

- “(b) of such a nature as to deceive the public (for instance as to the nature, quality or geographical origin of the goods or service)”.

Section 3(6) provides that a trade mark shall not be registered if or to the extent that the application is made in bad faith.

Under section 9 of the Act the proprietor of a registered mark has exclusive rights in the trade mark which are infringed by use of the trade mark in the United Kingdom without his consent. The acts amounting to infringement, if done without the consent of the proprietor, are specified in section 10. Section 10 so far as is material provides as follows –



(1) A person infringes a registered trade mark if he uses in the course of trade a sign which is identical with the trade mark in relation to goods or services which are identical with those for which it is registered.

(2) A person infringes a registered trade mark if he uses in the course of trade a sign where because –

(a) the sign is identical with the trade mark and is used in relation to goods or services similar to those for which the trade mark is registered; or

(b) the sign is similar to the trade mark and is used in relation to goods or services identical with or similar to those for which the trade mark is registered,

there exists a likelihood of confusion on the part of the public which includes the likelihood of association with the trade mark;

(3) A person infringes a registered trade mark if he uses in the course of trade a sign which –

(a) is identical with or similar to the trade mark; and

(b) is used in relation to goods or services which are not similar to those for which the trade mark is registered,

where the trade mark has a reputation in the United Kingdom and the use of the sign being without due cause, takes unfair advantage of or is detrimental to the distinctive character of the repute of the trade mark.

(4) For the purposes of this section a person uses the sign if, in particular, he –

(a) affixes it to goods or the packaging thereof;

(b) offers or exposes goods for sale, puts them on the market or stocks them for those purposes under the sign or offers or supplies services under the sign;

(c) imports or exports goods under that sign;

(d) uses the sign on business papers or in advertising”.

Under section 43(3) it is provided that the application for registration shall state that the trade mark is being used by the applicant or with his consent in relation to those goods or services or that he has a bona fide intention that it should be so used.

Under section 47 the registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 3 or any other provisions referred to in that section (absolute grounds for refusal of registration). Where the trade mark was registered in breach of section 3(1)(b), (c) or (d) it shall not be declared invalid if, in consequence of the use which has been made of it, it has after registration acquired a distinctive character in relation to the goods or services for which it is registered.

Under section 64 any person having a sufficient interest may apply for the rectification of an error or omission in the register provided that an application for rectification may not be made in respect of a matter affecting the validity of the registration of a trade mark.

The 1994 Act was enacted to give an effect to the requirements of Council Directive No 89/104 EEC of 21 December 1988 to approximate the laws of Member States relating to trade marks (“the Trade Marks Directive”). The tenth recital of the Trade Mark Directive is of potential significance in this case and it provides –

“Whereas the protection afforded by the registered trade mark, the function of which is in particular to guarantee the trade mark as an indication of origin, is absolute in the case of identity between the mark and the sign in goods or services; whereas the protection applies also in cases of similarity between the mark and the sign and the goods or services; whereas it is indispensable to give an interpretation of the concept of similarity in relation to the likelihood of confusion; whereas the likelihood of confusion, the appreciation of which depends on numerous elements and, in particular, on the recognition of the trade mark on the market, of the association which can be made with the used or registered sign or the degree of similarity between the trade mark and the sign and between the goods or services identified, constitutes the specific condition for such protection; whereas the ways in which the likelihood of confusion may be established, and in

particular the onus of proof, are a matter for national procedural rules which are not prejudiced by the Directive.”

In Bach Flower Remedies Ltd v Healing Herbs Ltd [1999] IP & T 146 Morritt LJ at

150 paragraph 8 states:-

“The Trade Marks Act 1994 was, as shown by its long title, enacted to implement Council Directive EEC 89/104 (the Directive) which was designed to approximate the laws of the member states relating to trade marks. Accordingly it is to be construed so as to give effect, so far as possible to the Directive. The tenth recital reiterated the principles established by the case law of the European Court of Justice, see for example Cannon, Kabushiki, Kaisha v Metro Goldwyn-Mayer Inc (formerly Pathe Communications Corporation) [1998] All ER (EC934) to the effect that the function of registered mark is to guarantee to the consumer or end user the identity of the origin of the product to which it is applied. The wording of the 1994 Act follows closely that of the Directive and it was not suggested in argument that the 1994 Act could not be construed so as to give effect to it.”

In Proctor & Gambles Trade Mark application [1999] ETMR 375 Robert Walker LJ at 377 pointed out that the 1994 Act marks an important departure. Authorities decided by reference to earlier statutes in particular the Trade Mark Act 1905 and 1938 may no longer be appropriate. The 1994 Act was not a consolidating act. Being passed to give effect to the Trade Marks Directive it must be construed in a manner consistent with its community origins and purposes. While the 1994 Act replaces the old law and we have now a new European Law as Jacob J points out in Phillips Electronics [1998] RPC 283 especially at 299 to 303 –

“It does not follow that the sort of concerns and safeguards provided for in the old laws (or indeed the laws of countries outside the European Union) have no place under the law. On the contrary one is bound to bump up against the same sort of problem under the new law as under other laws. For some matters are basic to any rational law of trade marks.”

Considerable guidance on the proper approach to community law relating to trade marks is to be found in a series of ECJ Decisions including Sabel PV v Puma AG [1998]

RPC 199, Windsurfing Chiemsee Productions v Huber [1999] ETMR 585, Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV [1999] ETMR 690 and Cannon, Kabushiki, Kaisha v Metro Goldwyn-Mayer Inc [1998] ETMR 1. It must be recognised that in this complex and developing field of law it cannot be said that the final word has been spoken by the ECJ in all potential issues arising under the Directive.

### **The Construction and Validity of the Trade Marks**

One of Mr Shipley's attacks on the trade marks focused on what he described as the meaningless nature of the definition of the trade marks because of the intrinsic confusion within the trade mark documents between the definition of the trade marks by reference to heraldic shading and the actual green marked drawings in the trade mark files. He further argues that within the terms of the trade marks there was no limitation on the shade of green in the definition of the marks. Since registered trade marks afford a monopoly as such the documents establishing the monopoly need to be construed *contra proferentem*.

It is clear that when BP applied initially for the trade marks the TM3 application document had attached to them a photograph of a level 5 filling station depicting the stations with the green surfaces on the canopy, MID, shop front and spreaders over the pumps. The particulars of the proposed trade marks in the application forms described the marks as consisting of the colour green applied to the exterior surfaces of the premises used for the supply of the relevant goods as depicted in the representation attached to the form of application. That depicted a particular shade of green. It also showed that the premises prominently displayed the BP shield and BP logo and Welcome on the canopy.

Subsequently the Trade Marks Registry in July 1994 stated that it was prepared to proceed with the two applications on the basis that they should be advertised before acceptance. The Registrar expressed concerns about how the marks should be represented. In its letter of 19 October 1994 the Registry enclosed an example of how the trade mark

could be advertised in the Trade Marks Journal. It showed the filling station with its relevant services marked in green in what appears to be the same shade of green as shown in the initial photograph in the original TM3 documents. It suggests the mark be described thus “the mark, (sic) consists of the colour green as applied to the surfaces of the premises used for the supply of the services as exemplified in heraldic shading”. That document was clearly referring to what should be inserted in the Trade Marks Journal. The depiction which showed the relevant surface marked green had beside it words (not fully legible in the copy before the court) indicating that the camera ready copy should be shaded in accordance with heraldic convention. Since the Trade Marks Journal could not publish in colour but only in heraldic shading the suggested terms of the advertisement made sense.

In its letter of 9 January 1995 the Registrar required the TM3 forms to be amended to read “Registration of this mark, here depicted in heraldic shading, consists of the colour green as applied to the exterior surface of the premises used for the sale of the goods.”

Amended TM3 forms were lodged on 13 January 1995. These were stamped received on 29 June 1991 bearing the date of the original applications. The amended forms in paragraph 5 substituted the drawing showing the areas in question marked in the colour green of the relevant shade. Paragraph 9 of the amended applications however refer to the mark “here depicted in heraldic shading” the draftsman in the amended TM3 took the wording from the proposed advertisement of the trade mark and inserted it in paragraph 9 when in fact he should have referred to the depiction in paragraph 5 which would then have shown the particular shade of green required.

While the amended wording of TM3 is somewhat infelicitous it would be clear to any potentially interested party doing a search of the Trade Marks Registry that BP’s registered marks consist of the colour green as shown in the drawing in paragraph 5 of the amended TM3 as applied to the exterior surface of the premises used for the sale of the goods or

provision of the services in classes 4 and 37 respectively. The requirement to advertise in heraldic shading arose because of the printing exigencies of the Trade Marks Journal and the reference to heraldic shading in any advertisement would indicate to a reader that behind the advertisement there must have been an application which would need to be examined to see what if any particular shade of green the applicant was seeking to protect by the trade marks applications. Mr Abnett in his statement of evidence, which I accept, stated that it was the practice of the Registry at the relevant time to use representations of marks which identify but did not purport to reproduce the colours of the marks as actually represented in or with the relevant application for registration. This practice was reflected in the searches attached to Mr Abnett's report where colours incorporated in trade marks accepted for registration had been identified for the purposes of publication by the Registrar in a manner which does not purport to reproduce the colours of the marks protected pursuant to the relevant applications for registration. The manner of identifying the colours has variously involved the use of descriptions such as "as indicated in the representation in the form of application", "a specimen of trade mark may be seen at the Trade Marks Registry at the Patent Office" and/or "here depicted in heraldic shading".

It appears that heraldic shading is no longer generally used for identifying colour in the United Kingdom but is still used abroad. In the United Kingdom it is necessary as it always has been to inspect the TM3 in the official registry file in order to determine the colour covered by the registration.

Mr Hobbs argued that if it were necessary BP would seek to rely on section 64 of the 1994 Act under which any person having a sufficient interest might apply for rectification of any error appearing in the register. Having regard to the conclusion which I have reached on this aspect of the case it is not necessary for BP to rely on section 64. Had it become relevant to consider exercising the rectifying powers contained in section 64 two problematic issues

would have arisen. Firstly BP in the pleadings presently formulated has not sought to rely on section 64 but that is a matter which probably could be dealt with by way of amendment. Secondly the proviso to section 64(1) provides that such an application for rectification may not be made in respect of a matter affecting the validity of the registration of a trade mark.

I am satisfied that the trade marks do not fail on this ground and it is thus necessary to consider the other grounds of objection raised by Kelly.

As I stated earlier I am satisfied that the trade marks related to a particular and limited shade of green. It appears to be clear from the authorities under the 1938 Act such as Smith Kline & French Laboratories Limited v Sterling Windthrop Group Limited [1976] RPC 511 that colour marks or combinations can in appropriate cases give rise to good trade marks. This remains so under the 1994 Act with its extended definition of trade mark as a sign capable of being represented graphically which is capable of distinguishing goods or services of one undertaking from those of another. However a mark which purports to cover a whole spectrum of colour would lack the necessary distinctive character to qualify for registration. Thus in Re Orange Limited's Application [1998] ETMR 337 the Third Board of Appeal in the Office of Harmonisation in the Internal Market (Trade Marks and Designs) stated:

“It is true that a colour *per se* may be generally protectable as a community trade mark under article 4 of the Community Trade Mark Regulation. However as a rule its registration can be precluded by the absolute grounds of refusal laid down in Article 7(1)(b) or (c) or (d) of CTMR, unless it is, for example, a very specific colour shade or very specific goods or services or the applicants can successfully argue that the trade mark has become distinctive in consequence of the use which has been made of it (Article 7(3) of CTMR).”

Although those remarks were made in respect of a community trade mark application the principles applicable under the CTMR do not appear to be different from those applicable under the Trade Marks Directive.

In William Wrigley Junior Company's Application [1999] ETMR 219 referring to article 4 of the CTMR (which is essentially the same in wording as article 2 of the Trade Marks Directive and is reflected in section 1 of the 1994 Act) the Third Board stated that the article must be construed so that:

“A colour *per se* without an associated shape as in the present case is protectable as a trade mark since it falls within the meaning of the word “any sign” in that article. That wording must be interpreted as a very broad open and general term encompassing all conceivable types of marks (including for example sound marks and three dimensional marks). To restrict the protection of colour marks to a specific presentation would be contrary to the spirit of community trade mark law.”

The decision in that case is a helpful and instructive one in putting colour trade marks in their proper community context. In that case Wrigley applied to register for chewing gums a community trade mark consisting of a specific shade of the colour light green, a sample of the colour and a colour chart which indicated that it had been submitted with the application. Objection was taken by the examiner that the mark was devoid of distinctive character and that it consisted of a colour of which other traders might wish to make use for example for apple and lime flavoured products. The application was rejected and subsequently appealed.

The Third Board held that a trade mark must be distinctive, be capable of serving as an indication of origin and must have the inherent property of distinguishing the goods claimed by their origin from an undertaking. In assessing those properties both the customary use of the trade marks as indications of origin in the industry concerned and the views of the relevant consumer must be considered. A colour *per se* normally lacks those properties since consumers are not accustomed to make an assumption about the origin of goods on the basis of their colour or the colour of their packaging in the absence of a graphic or factual element. This is because a colour *per se* is not normally used as a means of identification in practice. This approach may not apply in the case of various specific goods for very specific clientele or for a colour exhibiting a shade which is extremely unusual and



peculiar in the relevant trade. In that case the single colour claimed by Wrigley was not a shade that was unique or unusual. In advertising and packaging of products in a broad range of consumer markets that shade was used to denote freshness and proximity to nature. Given the diversity of persuasive elements in commercial advertising the colour light green had no particular striking impact that keeps the eye focused and it was devoid of distinctive character accordingly. At paragraphs 30 and 31 the Board said:

30. The examination of the registerability of single colours requires critical analysis. Casual acceptance of basic and compound colours could, because of the very limited nature of the colour spectrum, prevent competitors from using indefinitely certain colours they might wish to use for a variety of reasons in connection with their products or services whether or not in conjunction with a pictorial element. It cannot be the purpose of trade mark protection to deprive the market of its rich diversity of colours.

31. As regards the appellant's argument that there is no need for a competitor to use precisely the same colour for the same products, the board observes that an argument in competition law cannot be used to obtain trade mark rights. An appellant can, in any case, ensure that its products are protected from imitations of the way they are presented, including their colour, under the respective national provisions on unfair competition irrespective of its claims under trade mark law."

The Board went on to state that an alternative conclusion could be reached were the colour to have acquired distinctiveness in relation to the goods claimed in consequence of the use made of it under article 7(3) of the CTMR through, normally, familiarisation by the relevant public over a long period following various intensive advertisement and sales campaigns. In that case the appellant had not claimed or adduced evidence on acquired distinctiveness and there was no apparent basis for assuming it.

In its application for the colour trade marks BP's applications connected the green colour mark to a distinctive shape and layout of a filling station as shown in the drawing attached to the application. Had BP simply applied for the right to apply green (albeit of the

limited shade shown in the drawings) to the exposed surfaces of its filling stations in a general and undefined way the claimed mark would not in my view have been capable of qualifying as sufficiently distinctive to qualify as a trade mark. In Wrigley's case the Board pointed out that the colour light green had associations with freshness and proximity to nature (see paragraph 24). At the time of BP's applications in respect of the green shade green had association with Irishness and with environmental friendliness and an application of a generalised nature for such a colour mark unlimited in its form of application to filling stations would have been too wide. It was both the colour and the specific mode of application that gave rise to the necessary element of distinctiveness. This conclusion also governs or supports the construction to be put upon the trade marks (*infra*).

BP having been granted the trade marks in the forms in which the marks were granted and having so used them cannot rely on its more generalised application of the colour green in its other levels of filling stations to extend the ambit of the trade marks as sought and granted. Section 47 provides that where the trade mark was registered in breach of section 3(1)(b) (c) or (d) it shall not be declared invalid if, in consequence of the use which is being made of it, it has after registration acquired a distinctive character in relation to the goods or services for which it is registered. Since the trade marks were not invalid on the grounds set out in section 3(1)(b) section 47(1) is not material in relation to this aspect of the case.

Kelly sought to further argue that the marks should not have been registered since the colour green even if restricted to the shade shown on the TM3 documents consisted exclusively of a sign which may serve to designate geographical origin (namely Ireland or the Republic of Ireland) or a quality or characteristic (environmental friendliness). I have already indicated that because green could have generalised Irish and ecological connections in the market place the grant of a colour trade mark in generalised terms would be open to objection on the grounds of lack of distinctiveness. However green as applied in the specific form as

shown on the trade mark sought could not be said to consist exclusively of a sign which may serve to designate geographical origin or other characteristics of the goods. Furthermore the evidence showed that customers or potential customers did not conclude from the use of greenness that there was an Irish connection or environmental friendliness in the product. Kelly's own research seems to negative the connection in the eyes of customers between the goods and Ireland as a geographical origin of the goods.

I am satisfied that the trade marks do not fail on the grounds that they fall foul of section 3(1)(a), (b), (c) or (d) or section 3(2) or (3).

In determining what monopoly rights a registered trade mark gives rise to it is necessary to construe the mark and determine what it covers. Mr Shipley argued that the trade mark must be narrowly construed and interpreted as relating to the use of the colour green in connection with the surfaces on a particular design of filling stations depicted in the drawing shown in the registration certificates, that is to say a level 5 filling station which in particular has a distinctive bull nose canopy. Mr Hobbs on the other hand argued that what was applied for by way of a trade mark was a particular shade of green the substratum to which the colour was going to be applied being premises the like of which were shown generically for the purpose of demonstration in what is shown in the drawings attached to the amended applications.

When a party seeks to register a trade mark and the state accedes to the registration of the mark the proprietor of the trade mark acquires by virtue of section 9 of the Act exclusive and absolute rights to the mark in the nature of a monopoly. Monopolies fall to be strictly construed. One must not lose sight of the fact that a party such as BP can ensure that its product is protected from unfair imitations of the way its goods are presented including their colour under the ordinary law of passing off irrespective of claims under trade mark law (see the comments in William Wrigley at paragraph 31). In this instance reading the trade marks

as a whole in the light of the annexed drawings I consider that BP has sought and obtained registration of trade marks which are limited to a particular configuration as shown in the drawing. (See also my comments above in respect of the issue of distinctiveness). The trade marks purport to be colour marks for a particular configuration. Mr Hobbs' suggestion as to what was intended in respect of the trade marks represents elegantly what could and should have been expressed if that was the intent of BP at the time of the applications. Had the applications been and made in that form for the reasons indicated I consider that it would not, or at least might not, have been open to the Registrar to accede to the applications for the trade marks on the ground that such trade marks would be devoid of distinctive character (although they might have acquired a distinctive character by subsequent use). In construing a mark it is necessary to give effect to all the words used and one cannot escape the conclusion that the draftsman opted for a trade mark of the colour green as applied to the exterior surfaces of "the premises" which must refer to the premises as depicted.

A consequence which flows from this construction is that when considering whether the defendants have infringed the trade marks the comparison will be between the configuration and colouring of the defendants' stations and a BP level 5 filling station and not other BP stations.

### **The Bad Faith Argument**

Mr Shipley argued that in fact BP did not intend to use the trade marks in the manner or form depicted in the drawing attached to the applications. He contended that BP always intended to use and has used its yellow colour, its BP logo on the MID and BP in yellow lettering on the canopy. The trade mark purports to confer on BP the exclusive right to monolithic unmarked green on the surfaces as marked on the relevant drawings.

A trade mark shall not be registered if or to the extent that the application is made in bad faith (section 3(6)). Under section 32(3) an application for a trade mark shall state that

the trade mark is being used by the applicant or that he has a bona fide intention that it should be so used. As Mr Hobbs pointed out the applications were made and largely processed before the 1994 Act came into force. He argued that on the true construction of the legislation bad faith implied dishonesty.

I am entirely satisfied that none of BP's servants or agents had any dishonest intention in the form of the applications made. Indeed in the original specifications the photograph attached to form TM3 showed a level 5 filling station with the yellow lettering and marking. These disappeared from the application forms when the registrar required the preparation of line drawings which were prepared on the suggestion of the registrar in a form which showed the relevant areas marked in unrelieved green.

Mr Shipley's objection to the trade marks on this ground must fail. Apart from the fact that the objection of bad faith in the form argued for by Mr Shipley was not pleaded in the grounds of objection, certainly prior to the 1994 Act it was commonly accepted under domestic law that it is permissible to apply to register something as a trade mark even if it is intended to use it in conjunction with some other material which is in the nature of a trade mark. As Mr Hobbs rightly contended if a party has a distinctive shape of goods the shape may be registered as a trade mark and nonetheless so that it is intended to use the distinctive shape with further and other trade mark material superimposed or juxtaposed therewith.

An example of this approach can be found in Levi Strauss & Co v Shaw [1985] RPC 371. In that case the plaintiff's registered trade mark covered five plain coloured labels including white "sewn into the left hand seams of the rear pocket of a pair of jeans." The word LEVIS also a registered trade mark was invariably added to the tabs. The defendant sold jeans with white tabs sewn onto the pockets in the location bearing the word KING. The plaintiff's alleged infringement of their mark and the defendant counterclaimed for rectification of the register on the ground of non-use. It was held that the essential features of

the plaintiff's tabs were that they were plain in colour and sewn into a particular position on the jeans. The addition of the word King did not avoid infringement.

Whitford J rejected the defendant's counterclaim for rectification on the ground of non-use holding that the plaintiffs had used plain coloured tabs from start to finish, albeit in connection with the word LEVIS. The tabs with the word LEVIS had been accepted as indicating that the goods unto which the tabs were sewn were the plaintiff's just as much as by the presence of the tab as by the presence of the word LEVIS. The court on upholding the plaintiff's claim for infringement pointed out that it was the positioning of the label which added the distinctiveness. The position was part of the requirement as far as registration was concerned and the position was essential to any question of infringement (a point which is relevant in the present instance in relation to the question of infringement (see below)).

If correctly decided (and I have no reason to doubt the decision) that case establishes that under the old law a party who added other material to his trade mark and used the trade mark in that form was nevertheless using the trade mark. The question whether a defendant was infringing that trade mark used in that form by incorporating what was covered by the trade mark into the defendant's sign with other added material raises separate if related issues (to which it will be necessary to return later).

I can see nothing in the Trade Marks Directive or in the decisions of the ECJ to suggest that the approach in the Levi Strauss case is no longer valid on this aspect of the case. Accordingly the defendants' objection to the trade marks on the ground that BP always intended to use added material in conjunction with the green colour marks fails. This is not to say however that the way in which BP used the registered trade marks in conjunction with that other material is not relevant to the question of infringement.

I am satisfied that the defendants have failed to make out a case for the declaratory relief sought, for the revocation of the registration of the marks or rectification of the register.

## **The Issue of Infringement**

### **Introduction**

The essence of BP's case is that Kelly has infringed the trade marks by using a sign similar to the trade marks in relation to goods or services identical with or similar to those for which the trade marks are registered and there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the trade mark.

It is clear from the evidence that Kelly is using its filling station livery in relation to the same goods and services as those for which the BP trade marks are registered.

On the evidence I am satisfied that Kelly's sign is not identical with BP's trade marks and the question is whether the sign as used by Kelly is similar to such an extent that there exists a likelihood of confusion on the part of the public.

### **ECJ Guidance**

Guidance on the proper approach to section 10 which is based on article 5 of the Directive can be found in the ECJ decisions. In Lloyd Schuhfabrik [1999] ETMR 690 the ECJ gives particular guidance. It is obviously a matter for the domestic court to rule on the question whether there exists a likelihood of confusion. In paragraph 17 of the decision the ECJ states:

“According to the case law of the Court of Justice, the risk that the public might believe that the goods or services in question come from the same undertaking or, as the case may be, from economically linked undertakings, constitutes a likelihood of confusion within the meaning of Article 5(1)(b) of the directive (see, to that effect, Sabel paragraphs 16 to 18 and case C-39-97 Canon [1998] ECR I-5507, paragraph 29). It follows from the very wording of Article 5(1)(b) that the concept of likelihood of association is not an alternative to that of likelihood of confusion, but serves to define its scope (see, to that effect, Sabel, paragraphs 18 and 19).”

Relying on its previous decision in Sabel the ECJ points out that the likelihood of confusion on the part of the public must be appreciated globally taking into account all factors relevant to the circumstances of the case. In paragraph 19 it goes on:

“That global assessment implies some inter-dependence between the relevant factors and in particular similarity between the trade marks and between the goods or services covered. Accordingly, a lesser degree of similarity between those goods or services may be offset by a greater degree of similarity between the marks, and vice versa. The inter-dependence of these factors is expressly mentioned in the tenth recital in the preamble to the directive, which states that it is indispensable to give an interpretation of the concept of similarity in relation to the likelihood of confusion, the appreciation of which depends in particular on the recognition of the trade mark in the market and the degree of similarity between the mark and the sign and between the goods or services identified. (See Canon, paragraph 17).

It goes on to point out that in making the assessment account should be taken in particular of the inherent characteristics of the mark including the fact that it does or does not include 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 longstanding use of the mark has been; the amount invested by the undertaking and 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. In paragraph 25 it states:

“In addition, the global appreciation of the likelihood of confusion must, as regards visual aural or conceptual similarity of the marks in question, be based on the overall impression created by them, bearing in mind, in particular their distinctive and dominant components. ... the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details.”

The court went on to point out following its decision in Gut Springenheide v Tusky [1968] ECR 1-4657 that account should be taken of the fact that the average consumer only



rarely has a chance to make a direct comparison between the different marks but must place his trust in the imperfect picture of them that he has kept in his mind. It should also be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question. In order to assess the degree of similarity between the marks concerned the national court must determine the degree of visual aural or conceptual similarity between them and where appropriate evaluating the importance to be attached to those different elements taking account of the category of goods or services in question and the circumstances in which they are marketed. The more similar the goods or services covered and the more distinctive the earlier mark, the greater will be the likelihood of confusion. In determining the distinctive character of a mark and accordingly in assessing whether it is highly distinctive it is necessary to make a global 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.

In Canon Kabushiki Kisha v Metro Goldwyn-Mayer Inc [1999] ETMR 1 the ECJ at paragraph 28 stated:

“Moreover according to the settled case law of the court the essential function of the trade mark is to guarantee the origin of the marked product to the consumer or end user by enabling him without any possibility of confusion to distinguish the product or services from others which have another origin. For the trade mark to be able to fulfil its essential role in the system of undistorted competition which the Treaty seeks to establish it must offer a guarantee that all the goods and services bearing it have originated under the control of a single undertaking which is responsible for their quality.”

The court at paragraph 30 stated that there can be no likelihood of confusion where it does not appear that the public could believe that the goods or services came from the same undertaking or as the case may be from economically linked undertakings.

In Lloyd Schuhfabrik the ECJ applied the same test as to what is meant by the average consumer as it applied in the Good Springenheide and Tusky decision, a case which turned on the question whether a statement or description designed to promote the sale of eggs was liable to mislead the purchaser under a Council regulation on certain marketing standards for eggs. In that case the ECJ pointed out that the relevant court must take into account the presumed expectations of an average consumer who is reasonably well informed and reasonably observant and circumspect. This can normally be done without ordering an expert's report or commissioning a consumer research poll. In its judgment the ECJ pointed out that it did not rule out the possibility that in certain circumstances a national court might decide to order an expert's report or commission a consumer research poll for the purpose of clarifying whether a promotional statement is misleading or not. It was for the national court which might find it necessary to order such a survey to determine in accordance with its own national law the percentage of consumers misled by a promotional statement that in its view would be sufficiently significant in order to qualify where appropriate banning its use.

Mr Hobbs referred the court to what he described as the "boilerplate" list of criteria applied by the Registry in determining whether there was a likelihood of confusion between competing applications for marks. These criteria represent a synthesis of the principles emerging from the European case law. Thus the Registry proceeds upon the basis that it is clear from the cases that:

- "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/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 the marks and must instead rely upon the imperfect picture of them he has kept in his mind;
- c) the average consumer normally perceived 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 therefore be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components;
- e) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods and vice versa;
- f) there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character, either *per se* or because of the use that has been made of it;
- g) mere association in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purposes of section 10(2);
- h) but if the association between the marks is liable to cause the public to wrongly believe that the respective goods come from the same or economically linked undertakings there is a likelihood of confusion within the meaning of the section.”

### **Conclusions in Respect of the Issue of Similarity**

In view of the analysis of the law adopted above and my construction of the trade marks the necessary comparison must be between a BP level 5 filling station in the format as shown in the drawings attached to the applications and the defendant’s filling stations as they are.

There are clearly differences in the format of Kelly stations in that the bull nose canopy is not used, spreaders are not used over the petrol tanks, there is a difference in the physical layout of the pumps and there is a difference in the location of the shops.

Kelly displays its trade name TOP in large white letters on the MID and on the canopy in conjunction with the coloured wings, a feature in which the dominant colour seems to be red though yellow is probably the second most dominant colour. The word TOP is prominent and clearly visible from some distance before a driver turns into the premises. A driver would be likely to see the greenness of the canopy before the word TOP becomes

distinct but it becomes distinct at a point at which a driver could safely decide to turn in or if earlier minded to turn in could safely decide to drive away without turning in. Apart from the greenness of the MID and the canopy the filling stations do not call to mind the configuration of a level 5 BP station and lack the monolithic feeling of greenness evoked by the appearance and layout of a level 5 BP station.

There was no direct evidence from members of the public on the issue of confusion. Mr Reihill, the Managing Director of Kelly, stated in his evidence that having asked his dealers none of them had indicated that there was any confusion in the minds of customers apart from one incident at the Glenshane Filling Station. In the case of that filling station one person who held a BP loyalty card had come in and bought petrol thinking it was a BP station and had to be informed that it was not. Mr Reihill accepted, however, that there had been no detailed scientific investigation.

BP on its side adduced no direct evidence that any of its dealers had expressed concern about customers being confused. Mr Henderson a BP dealer in Carrickfergus was called mainly to deal with the implications of the re-imaging of his BP filling station and was asked no direct questions about confusion. After the conclusion of the examination, cross-examination and re-examination I had posed some questions and gave counsel an opportunity to ask questions arising from any questions. Mr Shipley asked how many people Mr Henderson knew who had been in a TOP site thinking it was a BP station. Mr Henderson volunteered that he personally knew about half a dozen customers who having seen the Grove retail station belonging to the defendant said that they had seen that “a new BP station was opening” and had to be corrected. Mr Shipley then asked:

“And each of those people had bought petrol there and not realising until afterwards that it was not?”

To which the answer was

“That is correct.”

According to Mr Henderson this happened when the Grove petrol station was opened imaged in green and had the TOP logo on it. This evidence needs to be approached with some caution. While it was hearsay evidence it was elicited by Mr Shipley's questioning and the evidence is thus not inadmissible. It is a question what weight should be given to it. Mr Henderson said that these people had purchased petrol in the filling station though the way he described the comments suggested that those persons had noticed a station before it was operative "there is a new BP site opening". One would need to know the precise circumstances of the TOP filling station at the relevant time. If it were in the course of being re-imaged some or all of them may have seen the premises before the TOP letters were added. Mr Henderson did not report to BP that a number of customers had been confused. Although called by BP Mr Henderson was not asked to deal with any such issues in his evidence in chief.

On the issue of possible confusion it is necessary also to bear in mind the responses obtained by MRC (Ireland) Limited in its research leading up to the reports furnished to Kelly in 1997. Certainly a number of interviewees indicated that they saw similarities between the TOP livery and the BP filling stations.

Analysis of the evidence in relation to possible confusion is complicated by the fact that while BP has extended the use of green to all its filling stations the exclusive trade mark rights for the reasons indicated above relate only to the Level 5 format. If customers saw similarities between the TOP livery and BP filling stations or were confused enough to purchase petrol believing that they were purchasing BP petrol it is not clear that this was because of their wider perceptions of the BP colour scheme or because of a linkage in the appearance of the Kelly stations to level 5 BP stations. Since the market will be unlikely to differentiate between BP stations it may well be the general use of green by BP in all its stations that led to perceptions of similarity or possible confusion.

In Kerly's Law of Trade Marks and Trade Names 12<sup>th</sup> edition at paragraph 14.16 the pre 1994 law is set out thus:

“In actions for infringement the comparison is to be made between the mark as registered, taking into account any disclaimer, and the defendant's mark as it appears in actual use. Considerations which may arise in consequence of a particular way in which the plaintiff's mark may have been used eg additions or variations, though relevant in a claim for passing off, will not generally be relevant when the only question is infringement; it is the marks themselves that must be compared. If the registered mark is inherently likely to lead the public to rely on a particular feature or to ask for the goods by using the name of some device, that is a circumstance to be considered; but where any such practice of the public may have resulted from something other than the use of the registered mark itself, the plaintiff should base his claim on passing off. The imperfect recollection of the ordinary customer must be borne in mind. Similarly, additions by the defendant, though they might serve to prevent actual deception, will not save the defendant if the registered mark or a mark too nearly resembling it is used.”

Under the 1938 Act there was a difference between marks registered under Part A and Part B (the present trade marks having fallen within Part B). Section 5(2) precluded a plaintiff obtaining an injunction against a defendant if the defendant could prove both that the use complained of was likely neither to deceive or cause confusion and that the use complained of was not likely to be taken as indicating a certain sort of connection in the course of trade or business. This provision would bring into play, for instance, the differences in get up and the prominence with which the defendant's mark is qualified by the proximity of his own name.

The old law in this connection was succinctly stated by Sir Wilfred Greene MR in Saville Perfumery Ltd v June Perfect Ltd and F W Woolworth Ltd [1941] 58 RPC 147 at 161:

“The statutory protection is absolute in the sense that once a mark is shown to offend the user of it cannot escape by showing that by something outside the actual mark itself he has

distinguished his goods from those of the registered proprietor.”

In the subsequent decisions since the new legislation Jacob J has approached the matter in a similar way. Thus in Origins’ Natural Resources Inc v The Origin Clothing Ltd [1995] FSR 280 he said:

“Section 10 requires the court to assume the mark of the plaintiff is used in a normal and fair manner in relation to goods for which it is registered and then to assess a likelihood of confusion in relation to the way the defendant uses the mark, discounting added matter or circumstances.”

See also his decision in British Sugar plc v James Robertson & Sons Ltd [1996] RPC 281.

If one assumes that the current law is the same as the law stated in the pre 1994 authorities the exercise to be carried out is the exercise of comparing the BP mark as registered (disregarding BP’s added yellow and logo) and comparing it with the defendant’s mark (disregarding the added TOP and logo). This is an artificial and somewhat unreal exercise because in reality it disregards the way in which the parties actually market themselves and display their “badge of origin” (to adopt the terminology of Jacob J in the British Sugar case). In carrying out the exercise the court must judge the matter through the eyes of the average reasonably circumspect and observant consumer bearing in mind that the consumer will be unlikely to make direct comparison between the two marks and bearing in mind that the average consumer normally perceives a mark as a whole and will not proceed to analyse its various details. It must also be recalled that the BP mark’s validity is based on the proposition that the mark relates to the green colour (Pantone 348 C) applied in the context of a defined configuration.

In Tatem & Co Ltd v Gaumont Co Ltd 34 RPC 181 the plaintiff had a registered trade mark in a device consisting of a black cat standing upright on a globe and operating a photographic camera on a tripod stand and used the trade mark on their films. The defendant used in connection with the hiring of films a device consisting of a circular disc with wording

round it with a seal in the central position of it bearing certain letters. Behind the disc there appeared the head and feet of a black cat. It was alleged that the trade mark was infringed.

Lord Cozens-Hardy at 188 pointed out:

“One cannot ... claim a registered trade mark for the figure of a black cat in every or any form which can be suggested. That I think is not the meaning or the object of the Trade Marks Act. One must look at the registered trade marks side by side with what the defendants are doing and ask oneself “Is what the defendants are doing a substantial infringement of the registered trade mark?” It would be a fallacy to say that the distinctive feature of the registered trade mark is a black cat in a feature position; that any arrangement by which you take the distinctiveness of the black cat is an infringement of the trade mark.”

Warrington LJ at 191 stated:

“When one has to consider the infringement of a trade mark one does not attribute to the owner of the trade mark an absolute monopoly on some part of the design, unless the use of that part of the design with comparatively immaterial circumstances would be calculated to deceive.”

Lord Cozen-Hardy’s remarks must be qualified to some extent for in the market customers will not have the two marks in front of them to compare in that analytical way.

If the law remains the same under the new legislation I have not been satisfied on the evidence that reasonably circumspect and observant customers making allowance for the matters referred to would be likely to confuse the BP and Kelly stations. The overall impression given by the BP level 5 stations differs from the Kelly stations which do not have the distinctive bull nose canopy and do not make use of green spreaders. There is a significant difference in the fascia of the shop front and location of the shop within the filling station complex and the Kelly stations do not display the overall monolithic and stronger feeling of greenness present in the BP stations.

Mr Hobbs, however, candidly pointed out that the court should be careful as to whether Jacob J had formulated the correct test under the modern law. He pointed out that



the ECJ decisions made it clear that it is necessary to take account of the strength of the distinctiveness of the plaintiff's marks. Secondly, it is possible that some marks are distinctive in a way in which they are not distinctive when used in another manner and in another context.

As the Trade Marks Directive makes clear the primary function of a trade mark is as an indication of origin or to use Jacob J's phrase in British Sugar a "badge of trade origin". In operating its filling stations BP has used both the green colouring and the logo, initials and yellow accent colour and by that combination has adopted the badge by which it wishes to be recognisable by the public. The green colour represents an important part of the badge but it cannot be viewed on its own divorced from the juxtaposition of the other matters. While as a matter of law there are two marks (the green mark and the use of the logo and shield) it is artificial to view those uses as distinct and severable in the context of the overall livery of the filling stations. The average consumer would perceive the overall effect as representing the badge of origin. Likewise in the context of the defendant's filling station livery the consumer would perceive the green format and the letters TOP and the coloured wings.

The ECJ rulings point to the need to appreciate the likelihood of confusion "globally in the light of all relevant factors". While the word "relevant" in the terminology of the ECJ rulings is question begging, I read it as referring to all the surrounding circumstances that impact *inter alia* on the question of the distinctiveness of the marks in the light of the way in which they are used. The European cases made clear that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. Where the user is using his mark in combination with another mark or marks (whether registered or not) in order to create a composite badge of origin it is also the case that the average consumer will normally perceive the whole and not proceed to analyse its various details.

In weighing all the circumstances set out above and taking account of the circumstances including the way in which BP uses its relevant trade marks in combination with other marks so as to create a composite badge of origin which reduces the separate distinctiveness of the green trade marks BP has not satisfied me that there is a likelihood of confusion for the purposes of section 10 between the BP trade marks and Kelly's livery and layout.

I have considered the question whether it would be necessary or appropriate to refer a question to the ECJ on the issue just discussed in this judgment. I consider that it would be more appropriate for a higher court to do so if it considers it necessary to do so since an appellate court's view of the evidence and facts and its interpretation of the trade marks may differ from mine and this might avoid the need to refer or change the nature of any question referred.

### **Passing Off**

It is clear from the authorities that there is a difference between an action for infringement of trade marks and action for passing off and it is necessary to bear in mind that different principles apply in respect of the two causes of action.

However, it not necessary to expatiate on the law of passing off. The principle ingredients of the tort are usefully set out in Halsbury's Laws of England Vol. 48 4<sup>th</sup> ed. at para. 165 and in the House of Lords' decisions in Reckitt and Colman Products Ltd v Borden Incorporated (1990) RPC 241 and Erven Warnink BV v J Townsend & Sons (Hull) Ltd (1979) AC 731.

In assessing whether confusion or deception is likely the court attaches importance to the question of 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. In the present case

I am satisfied that there was no fraudulent intent on the part of Kelly in adopting the livery which he did.

The overall get up of Kelly's Filling Stations when compared to the BP Filling Stations is not such in my view as to give rise to an intentional or unintentional representation leading or likely to lead the public to believe that goods or services offered by the defendant are goods or services of the plaintiff. The potential customer to be considered in determining whether passing off has occurred is the ordinary sensible members of the public (see Newsweek Inc. v BBC [1979] RPC) and no heed is to be given to confusion amongst "morons in a hurry" (Morning Star Co-Operative Ltd v Express Newspapers Ltd [1979] FSR 113. Mr Golsong in his evidence agreed with the proposition that a customer who confused Kelly with BP at the point of buying petrol would even if he were in a hurry have to be fairly stupid or fairly uncaring.

I am satisfied that the Kelly filling stations are clearly marked with the word TOP in prominent lettering and this would be visible to a customer in sufficient time for him to decide whether to go in or not to go in to the filling station to purchase petrol or obtain other goods or services. Any misleading impression which may be created by the use of the green canopy that the filling station was at first sight a BP station must in my view be effectively undone by the presence of the clear marking of TOP. Nor do I think it reasonable to suggest that a customer would or might sensibly jump to the conclusion that TOP must in some way be connected with BP because it has a green canopy.

In all the circumstances I reject BP's passing off claim.

I shall hear Counsel on the appropriate form of order and on the issue of costs.

**IN THE HIGH COURT OF JUSTICE IN NORTHERN IRELAND**

**GIRB3050**

**CHANCERY DIVISION**

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**1998 No. 2671**

**BETWEEN:**

**BP AMOCO PLC**

**Plaintiff**

**and**

**JOHN KELLY LTD AND  
GLENSHANE TOURIST SERVICES LIMITED**

**Defendants**

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**J U D G M E N T O F**

**GIRVAN J**

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