

BL O/0124/23

TRADE MARKS ACT 1994

IN THE MATTER OF

TRADE MARK REGISTRATION No. 3560628

IN THE NAME OF

ANDY MORGAN

FOR THE TRADE MARK:

BUGSVW

IN CLASS 12

-AND-

AN APPLICATION FOR A DECLARATION OF INVALIDITY

UNDER No. 504004

BY

VOLKSWAGEN AKTIENGESELLSCHAFT

Background and pleadings

1. Andy Morgan (“**the Proprietor**”) is the owner of the registered UK trade mark shown below (“**the Contested Mark**”) which is registered in respect of goods in Class 12. Details of the registration are as follows:

Registration Number:	3560628
Representation of the Contested Mark:	BUGSVW
Filing date:	25 November 2020
Registration date:	7 May 2021
Goods in Class 12:	Vehicles

2. On 27 April 2021, Volkswagen Aktiengesellschaft (“**the Applicant**”) notified the Proprietor of its intention to seek invalidation of the registration of the Contested Mark and on 15 July 2021, the Applicant proceeded with filing an application to declare the Contested Mark invalid, under the provision of section 47 of the Trade Marks Act 1994 (“**the Act**”). The application is based on section 5(2)(b) of the Act.
3. The Applicant relies on the comparable trade mark (EU) for ‘VW’ (“**the Earlier Word Mark**”), which is registered in respect of Classes 4, 7, 9, 12, 14, 16, 18, 25, 28, 35, 36, 37, 38, 39, 40, 41, 42. Details of the registration are set out in the table below. For the purposes of its invalidation application, the Applicant relies solely on some of its Class 12 goods as follows:

Registration Number:	901354216
Representation of the Earlier Word Mark:	VW
Filing date:	20 October 1999
Priority Date:	6 May 1999

Registration date:	31 May 2001
Goods relied on in Class 12:	Apparatus for locomotion by land, air or water and parts therefor; Vehicles and parts therefor, including automobiles and parts therefor; Wheeled vehicles.

4. Given the respective filing dates, the Applicant's mark is an earlier trade mark.¹ In accordance with section 47 of the Act, the Earlier Word Mark is subject to proof of use because it had been registered for more than five years on the relevant dates i.e. the date of application for invalidation and the date the application for registration of the Contested Mark was filed.
5. In its Form TM26(l) the Applicant claims that the Contested Mark is similar to the Earlier Word Mark and that the respective goods are identical or similar, giving rise to a likelihood of confusion.²
6. The Proprietor filed a counterstatement denying the claims made and put the Applicant to proof of use of the Earlier Word Mark in relation to the goods relied on.
7. Both parties filed evidence. Only the Applicant filed submissions during the evidence rounds. No hearing was requested and neither party elected to file submissions in lieu of a hearing. I make this decision following a careful perusal of the papers.
8. The Applicant is represented by WP Thompson. The Proprietor has no professional legal representation in these proceedings.
9. Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Act relied upon in these proceedings are derived from an EU Directive. That is why this decision continues to refer to EU trade mark law.

¹ In accordance with section 6 of the Act.

² I note that in its subsequent submissions (dated 10 February 2022) the Applicant submits that the Earlier Word Mark has acquired an enhanced distinctive character as a result of the use made of it.

EVIDENCE

Applicant's evidence

10. The Applicant's evidence comes in the form of a Witness Statement (dated 9 February 2022) and 15 accompanying exhibits. The Witness Statement is provided by James Trainor, the General Counsel and Compliance officer of Volkswagen Group United Kingdom Limited, a wholly owned subsidiary of Volkswagen Finance Luxembourg SA and of its ultimate parent company Volkswagen Aktiengesellschaft (the Applicant). EXHIBIT VW15 is provided by the Applicant as evidence of the company structure, this document also informs me that *"VOLKSWAGEN Group United Kingdom Limited imports and distributes VOLKSWAGEN passenger and commercial, Audi, SEAT and Skoda vehicles and parts."*
11. It is submitted by the Applicant that the purpose of the evidence is to show use of the Earlier Word Mark during the relevant periods and to show the Earlier Word Mark has acquired enhanced distinctiveness. The Applicant relies mostly on the same evidence to establish both. In its submissions, dated 10 February 2022,³ the Applicant sets out which evidence relates to use, and which relates to enhanced distinctiveness. For ease of reference, I have detailed this information in the table below:

Use during the relevant periods	Enhanced Distinctiveness
<ul style="list-style-type: none">• Witness Statement• EXHIBITS VW1 to VW12	<p><u>'Sales figures'</u></p> <ul style="list-style-type: none">• Witness Statement, paragraph 7 <p><u>'Advertising'</u></p> <ul style="list-style-type: none">• Witness Statement, paragraph 11• EXHIBITS VW4 to VW9 <p><u>'Consumer recognition'</u></p> <ul style="list-style-type: none">• EXHIBITS VW12 to VW13

³ Paragraphs 6 and 9.

	<p><u>'Evidence of market share'</u></p> <ul style="list-style-type: none"> • Witness Statement, paragraph 15 • EXHIBIT VW14
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Proprietor's evidence

12. The Proprietor's evidence comes in the form of a Witness Statement (dated 5 June 2022) and 8 accompanying exhibits. The Witness Statement is provided by Andy Morgan (the Proprietor), who states that he is the owner of a business called 'BUGS VEHICLE WORKS'. The evidence has been provided to show how the Proprietor uses the Contested Mark.

Approach

13. The question as to whether an earlier mark has acquired enhanced distinctive character as a result of the use made of it, is one that needs to be addressed at the time of applying the multifactorial assessment as regards to whether or not there is a likelihood of confusion.⁴ 'Enhanced distinctive character' is a consideration that is therefore separate to the consideration of 'genuine use' and is to be assessed only after use has been proven.

14. In other words, if no use of the earlier mark (that is subject to proof of use) has been shown, then there is no requirement to move on to consider enhanced distinctive character of the earlier mark because the claim against the later mark would fail at that first hurdle. I shall therefore assess the Applicant's evidence for proof of use first, despite there being overlap between the evidence for the two separate considerations.

Preliminary Issues

15. Having reviewed all the evidence, before I proceed with assessing the Applicant's evidence for proof of use, I pause here to address several issues surrounding the

⁴ This is because the degree of distinctive character of the earlier mark, can (depending on specific circumstances) increase the likelihood of confusion.

Applicant's EXHIBIT VW13 and related submissions, and the Proprietor's evidence in reply thereto.

The evidence

16. Included in the Applicant's evidence in chief (namely EXHIBIT VW13) are screenshots of a website with the domain name of 'www.bugsvw.com' which the Applicant states belongs to the Proprietor. However, the Proprietor disputed this, stating with words to the effect that the web pages were not his website.⁵ The Proprietor subsequently formally filed evidence in reply showing images of his website. This evidence is contained in Exhibits 01 to 05 of the Proprietor's Witness Statement.
17. Whilst on the face of it, the images of the website displayed in the Applicant's EXHIBIT VW13, pages 1-2,⁶ look different to the images of the website contained in the Proprietor's Exhibits 01 to 05,⁷ after careful consideration and comparison of the all the pertinent evidence from both sides, I conclude that the images submitted as evidence in the Applicant's EXHIBIT VW13 are indeed the Proprietor's website,⁸ and I shall proceed on this basis.
18. In reaching this conclusion I have taken into account: (1) that both images of the webpages presented to me in the Applicant's evidence, and in the Proprietor's evidence have identical domain names i.e. 'www.bugsvw.com'; (2) that both have the identical telephone numbers i.e. '07984123123'; (3) both have identical wording i.e. both state *"The aim is to restore and rebuild sympathetically to a high standard keeping the original look but embracing modern techniques to ensure longevity of the work"* and (4) the following images of the vehicle displayed on pages 1 to 2 of

⁵ This statement is not contained in submissions formally filed with the Tribunal, rather it is contained in an email from the Proprietor to the Applicant (to which the Tribunal were in copy), dated 9 April 2022 and it was sent prior to the Proprietor filing his formal evidence in reply.

⁶ These images are dated 3 February 2022.

⁷ The date of the images in Exhibits 03, 04 and 05 is poorly reproduced, but I can ascertain that they were taken on a Monday in June although no year is visible. The Witness Statement of Andy Morgan is dated 5 June 2022.

⁸ Albeit a different version of it, taking into account the filing dates the evidence.

EXHIBIT VW13 (i.e. taken from the website www.bugsvw.com):



These are images of what appears to be the same vehicle that is featured in an online article about a race,⁹ submitted as evidence on pages 4 to 6 of the Applicant's EXHIBIT VW13 (see below image). The article, dated 9 November 2016, quotes Andy Morgan (the Proprietor) and also references a quote from the website 'bugsvw.com'. An image of the vehicle featured in the article is as follows:



The Applicant's submissions

19. At paragraph 21 of its submissions,¹⁰ the Applicant submits (my emphasis):

"As seen at paragraph 19 of [the Witness Statement of James Trainor] and EXHIBIT VW13, the [Proprietor] himself makes clear references to Volkswagen on his website and uses the [Contested Mark] in connection with the [Applicant's] goods. This suggests therefore that, contrary to the [Proprietor's] assertions in his counterstatement, VW was included in the [Contested Mark] as a reference to the [Applicant's] earlier trade mark and its goods."

⁹ or at least image 1 is clearly the same image as image 4 (albeit cropped).

¹⁰ dated 10 February 2022.

20. Paragraph 19 of the Witness Statement of James Trainor states (my emphasis):¹¹

“This is even more likely considering the website bugsvw.com makes express references to Volkswagen and the VW mark, as seen in the printouts at pages 1-2 of EXHIBIT VW13. The clear references made on websites vvwortex.com and dragtimes.com (pages 3-6 of EXHIBIT VW13 – references and dates circled or highlighted) identify the website bugsvw.com as Andy Morgan’s, the [Proprietor’s], website. It appears therefore that, contrary to the assertions made by the [Proprietor] in his counterstatement, “VW” in the [Contested Mark] BUGSVW is nothing other than the VW mark.”

21. I also note that the Witness Statement of James Trainor states that *“VW is generally recognised as a reference to Volkswagen”* (original emphasis added by the witness).¹²

22. The Proprietor’s website, as presented to me in the Applicant’s EXHIBIT VW13, does indeed make reference to ‘Volkswagen’. A quote from the website states: *“I have been working on air cooled Volkswagens for more than 30 years. The passion for Volkswagen started in 1986 with my first beetle and has grown into a love of everything air cooled. The aim is to restore and rebuild sympathetically to a high standard keeping the original look but embracing modern techniques to ensure longevity of the work. [...] All our restored vehicles have been multi magazine featured and multi show winning both in UK and Europe regularly taking “best split screen” and “best of show” trophies”.*

23. Images on the Proprietor’s website are of vehicles (presumably the “Volkswagen” vehicles restored by the Proprietor) displaying this badge:



¹¹ The Witness Statement was verified by a statement of truth.

¹² Paragraph 16 of the Witness Statement of James Trainor.

and that badge also appears next to 'BUGSVW.COM' (as shown below).



24. The above badge displayed on the Proprietor's website, is essentially the same as the one presented to me in the Applicant's evidence as being used by the Applicant, namely:



25. The Proprietor has submitted that the letters 'VW' in his mark 'BUGSVW' stand for 'Vehicle Works',¹³ and he has produced the following images in his evidence in reply to support the statement made in his Witness Statement that *"the name of the Company is BUGS VEHICLE WORKS"*.¹⁴



1.

Exhibit 05



2.

Exhibit 06

26. The Proprietor also made submissions in his Counterstatement that *"Bugs Vehicle Works repairs all types of vehicles but has built a lot of VW and porsche vehicles in the last year"* and has made submissions about the longstanding history of his business. The words 'EST. 1986' can be seen in image 2 above and I observe the

¹³ See the Proprietor's Counterstatement.

¹⁴ See paragraph 3 of the Witness Statement of Andy Morgan and accompanying exhibits 05 to 06. I note that the Witness Statement refers to the exhibits as being numbered 06 and 07, however, this is an error and the images are instead numbered as exhibits 05 and 06. I also note that the Proprietor is Andy Morgan and not a business called 'BUGS VEHICLE WORKS', which is evidently a business name the Proprietor trades under.

formation of rust on the lettering in the above images, which would at least indicate that the business name 'Bugs Vehicle Works' has been used on that vehicle for some time. I also observe the date of the article referenced in my paragraph 18(4), i.e. 9 November 2016, which would at least indicate that the Proprietor had been using the sign 'BUGSVW' for at least several years before applying to register it. Finally, I also observe that the vehicle displays this badge:



27. Firstly, as a general observation, I do not see how any sole trader or business who carries out renovations, mechanical work or any other type of work on vehicles could refer to the vehicle brand they have particular specialist knowledge in repairing, without making reference to the brand of those vehicles. I state the following by taking judicial notice, that there are certain repairs or maintenance work that not every mechanic can carry out on every single make or model of vehicle, and in such instances, as a consumer, you either seek the repair services from the car manufacturer themselves or a mechanic who specialises in repairing that specific make or model of vehicle. In the latter case, the only way you could know, as a consumer, whether a mechanic specialises in repairing the make of vehicle that you own, would be by making enquiries and/or if the mechanic advertises that it does so.
28. Further, I presume that, the older the model of the vehicle and the more 'classic' it becomes, the more likely it would be that the services of a specialist enthusiast mechanic would be required, as opposed to those of the manufacturer who produced the vehicle in the first place. Particularly as some 'classic' model vehicles can be valuable and the owner of such vehicles is likely to require specialist services rather than a generic mechanic to repair/maintain their vehicle.
29. Based on the evidence before me, I see no reason to conclude that the Proprietor was doing anything other than what is asserted on his website i.e. he restores "Volkswagens". He is likely to have displayed the Applicant's vehicle badge alongside his own trade mark 'BUGSVW' to advertise that he specialises in that

make of vehicle. (Whether he requires or has authorisation to do so or not is a matter that does not concern an action for invalidation based on section 5(2)(b) of the Act).

30. Secondly, I address the Applicant's submission and the statement of James Trainor,¹⁵ that contrary to the Proprietor's assertions, the 'VW' in the 'BUGSVW' trade mark is nothing other than "*the VW mark*",¹⁶ and that 'VW' was included in the Contested Mark as a reference to the Applicant's earlier trade mark and its goods.
31. I note there is no claim made by the Applicant in its Form TM26(I) to that effect nor any substantive evidence put forward for me to consider that supports the accuracy of such a statement. The language used by the Applicant in its submissions and in the Witness Statement would be more apt to other claims under the Act. The claim before me is in relation to section 5(2)(b) of the Act only and I am required to consider only that likelihood of confusion claim.
32. I have no claim before me that requires me to consider, for example, that the Proprietor had not been pursuing a legitimate objective in seeking to protect a sign that he claims had been used for a number of years nor that the letters 'VW' in his mark stand for anything other than 'Vehicle Works' (as asserted by the Proprietor in his Counterstatement).
33. The question with regard to a section 5(2)(b) claim relates to whether the average consumer of the relevant goods would be confused between the two marks, irrespective of the parties' assertions of what 'VW' stands for.¹⁷
34. If by its submission, and statement, the Applicant seeks to imply that the Proprietor had a dishonest state of mind or intention when applying for its mark, then the Applicant should have made an express claim under the Act to that effect and produced evidence that would satisfy such a claim. Good faith is presumed until the contrary is proven.
35. In addition, the Applicant makes no claim as to reputation and no claim that the Proprietor is passing off. The Applicant merely claims that the respective marks are

¹⁵ See my paragraphs 19 and 20 for the exact wording.

¹⁶ I note that I have directly quoted James Trainor's definition of the Earlier Word Mark i.e. he has defined it as "*the VW mark*".

¹⁷ I make this statement separate to the question of enhanced distinctive character.

similar in relation to similar or identical goods leading to a likelihood of confusion and that the Earlier Word Mark enjoys an enhanced distinctive character because of the use made of it.

36. Any submission, statement and/or evidence that would impliedly or expressly state (or seek to make a case for) any claim that does not fall under the scope of the claim before me is of no relevance to my decision. For the avoidance of doubt, my decision will not seek to resolve any dispute between the parties that falls outside the scope of section 5(2)(b) of the Act.
37. Finally I note (although this is not determinative) that there is no evidence before me to suggest that there is actual confusion in the marketplace as a result of the Proprietor's use of its mark.

Invalidation and proof of use – relevant law

38. The relevant provisions of the Act are as follows:

Section 47:

“(1) [...]

(2) Subject to [subsection (2A)], the registration of a trade mark may be declared invalid on the ground

(a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain [...]

[...]

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.

[...]

(2A) The registration of a trade mark may not be declared invalid on the ground that there is an earlier trade mark unless –

(a) the registration procedure for the earlier trade mark was completed within the period of five years ending with the date of the application for the declaration,

(b) the registration procedure for the earlier trade mark was not completed before that date, or

(c) the use conditions are met.

(2B) The use conditions are met if –

(a) the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with their consent in relation to the goods or services for which it is registered-

(i) within the period of 5 years ending with the date of application for the declaration, and

(ii) within the period of 5 years ending with the date of filing of the application for registration of the later trade mark or (where applicable) the date of the priority claimed in respect of that application where, at that date, the five year period within which the earlier trade mark should have been put to genuine use as provided in section 46(1)(a) has expired, or

(b) it has not been so used, but there are proper reasons for non-use.

(2C) For these purposes –

(a) use of a trade mark includes use in a form (the “variant form”) differing in elements which do not alter the distinctive character of the mark in the form in which it was registered (regardless of whether or not the trade mark in the variant form is also registered in the name of the proprietor), and

(b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

[...]

(2E) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.

[...]

- (6) Where the registration of a trade mark is declared invalid to any extent, the registration shall to that extent be deemed never to have been made:

Provided that this shall not affect transactions past and closed.”

Schedule 2A:

9. (1) Section 47 applies where an earlier trade mark is a comparable trade mark (EU), subject to the modifications set out below.

[...]

- (3) Where IP completion day falls within the five-year period, in respect of that part of the five-year period which falls before IP completion day –
- (a) the references in section 47(2B) and (2E) to the earlier trade mark are to be treated as references to the corresponding EUTM; and
 - (b) the references in section 47 to the United Kingdom include the European Union”.

Section 100:

“100. If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it.”

Proof of use periods

39. The Earlier Word Mark is a comparable mark that is subject to proof of use. The goods for which use must be shown are as follows:

Class 12

Apparatus for locomotion by land, air or water and parts therefor; Vehicles and parts therefor, including automobiles and parts therefor; Wheeled vehicles.

40. It is convenient to set out at this stage the impact the end of the Brexit transitional period has on 'proof of use'. The UK ceased to be a Member State of the EU on 31 January 2020. Under the Withdrawal agreement, the UK's exit was followed by a transitional period, which came to an end on 'IP Completion Day'.¹⁸
41. Prior to 1 January 2021, i.e. prior to IP Completion Day, the Earlier Word Mark enjoyed protection in the UK as a registered EU Trade Mark ("**EUTM**"). Under the 'Withdrawal Agreement', all EUTMs registered before 1 January 2021 were recorded as comparable marks in the UK trade mark register.¹⁹
42. The filing date of the application for invalidation was 15 July 2021 (therefore it was made after 'IP Completion Day') and the mark relied on is a comparable trade mark. Tribunal Practice Notice 2/2020 provides that, for invalidation actions launched on, or after, IP Completion Day that rely on comparable marks, it may be possible to rely on evidence of use in the EU, as set out below:
- where all or part of the relevant five-year period for genuine use under section 47 falls before IP Completion Day, evidence of use of the corresponding EUTM in the EU in that part of the relevant period before IP Completion Day will be taken into account in determining whether there has been genuine use of the comparable trade mark. For that part of the relevant period, for the purposes of the genuine use assessment, the UK will be taken to include the EU.
43. There are two relevant five-year periods under section 47 of the Act, one ends on the date on which the invalidity action was filed and the other on the date the contested mark was filed (or its priority date). The goods or services must have been put to genuine use during both of these five-year periods.
44. Taking all of the above into account, the relevant periods in which the Applicant must show use of the Earlier Word Mark are set out below (there is some overlap between

¹⁸ 'IP Completion Day' is defined by the Withdrawal Agreement as meaning the 31 December 2020 at 11:00pm

¹⁹ As a consequence they have the same legal status as if they had been applied for and registered under UK law.

the two periods):

1. Filing date of invalidity action:	15 July 2021
Relevant period:	from 16 July 2016 to 15 July 2021

2. Filing date of Contested Mark:	25 November 2020
Relevant period:	from 26 November 2015 to 25 November 2020

Earliest date for 'proof of use': 26 November 2015

Latest date for 'proof of use': 15 July 2021

'Proof of use' period relating to EU (including UK): from 26 November 2015 to 31 December 2020

'Proof of use' period relating solely to UK: from 1 January 2020 to 15 July 2021

Proof of use – case law

'Genuine use'

45. The law relating to genuine use of a registered trade mark was summarised by Arnold J (as he then was), in *Walton International Ltd & Anor v Verweij Fashion BV*.²⁰ This summary includes, inter alia, that genuine use means actual use of the trade mark by the proprietor or a third party (with the authority to use the mark) and that such use must be by way of real commercial exploitation of the mark on the market, for the relevant goods or services, sufficient to create or maintain a market share for those goods or services. The use must be more than merely token although there is no *de minimis* rule in relation to genuine use, and it is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use. The use must be consistent with the essential function of a

²⁰ [2018] EWHC 1608 (Ch), paragraphs 114 and 115.

trade mark which includes for example, affixing the mark to the relevant goods in order to guarantee to the consumer that the goods come from a single undertaking which controls the manufacture of those goods, and which is responsible for their quality.

46. Further, that in determining whether there is real commercial exploitation of the mark, all the relevant facts and circumstances must be taken into account, which include: (1) whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services in question; (2) the nature of the goods or services; (3) the characteristics of the market concerned; (4) the scale and frequency of use of the mark; (5) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (6) the evidence that the proprietor is able to provide; and (7) the territorial extent of the use.
47. As regards to the territorial scope of the use of an EUTM, I note the observations of the Court of Justice of the European Union in *Leno Merken BV v Hagelkruis Beheer BV*,²¹ in particular, that use of an EUTM in the territory of a single member state of the EU, might satisfy the use conditions for genuine use of an EUTM.²²

'Variant Form'

48. Mr Richard Arnold Q.C. (as he then was), sitting as the Appointed Person in *Nirvana Trade Mark*, BL O/262/06 summarised the correct approach to the test in relation to 'variant form' (i.e. the test to establish whether the mark for which use has been shown, is an acceptable 'variant form' of the earlier trade mark). He said:

"33. [...] The first question is what sign was presented as the trade mark on the goods and in the marketing materials during the relevant period [...]"

34. The second question is whether that sign differs from the registered trade mark in elements which do not alter the latter's distinctive character. As can be

²¹ Case C-149/11, paragraphs 36, 50 and 55.

²² See words to that effect, *ibid.* paragraph 50.

seen from the discussion above, this second question breaks down in the sub-questions, (a) what is the distinctive character of the registered trade mark, (b) what are the differences between the mark used and the registered trade mark and (c) do the differences identified in (b) alter the distinctive character identified in (a)? An affirmative answer to the second question does not depend upon the average consumer not registering the differences at all.”

49. It follows that if, after applying the *Nirvana* test, it is established that the mark that is used is not a ‘variant form’ of the registered mark, then the use conditions (set out in the provisions of section 47 of the Act) will not have been met.

‘Variant form’ – v – ‘Use with, or as part of, another mark’

50. I note here that a distinction can be made between a mark used in a differing form, and a mark used with, or as part of, another mark. The Court of Justice of the European Union (“CJEU”) in *Colloseum Holdings AG v Levi Strauss & Co.*²³ considered the latter. In *Colloseum*, the CJEU stated:

*“[...] as is apparent from paragraphs 27 to 30 of the judgment in Nestlé, [Case C-353/03], the ‘use’ of a mark, in its literal sense, generally encompasses both its independent use and its use as part of another mark taken as a whole or in conjunction with that other mark.”*²⁴

51. The CJEU essentially found that if it is possible to acquire trade mark protection for a sign through a specific use made of the sign, that same form of use must also be capable of ensuring that such protection is preserved,²⁵ irrespective of whether it is used only as part of a composite mark or in conjunction with another mark (as such use would still indicate trade origin).

²³ Case C-12/12

²⁴ Ibid., paragraph 32. It is noted that in the ‘Nestlé’ case (referenced by the CJEU), the court was asked to express a view on the rules concerning the distinctive character of trade marks. In *Nestlé* the dispute turned on whether the advertising slogan ‘HAVE A BREAK’ was able to acquire distinctive character as a result of its use as a part of the registered trade mark ‘HAVE A BREAK ... HAVE A KIT KAT’. The nub of the legal dispute was the question whether this kind of use of a sign can result in distinctiveness for trade mark purposes or whether it precludes recognition as a trade mark.

²⁵ i.e. the requirements that apply to verification of the genuine use of a mark, are analogous to those concerning the acquisition by a sign of distinctive character through use for the purpose of its registration (Ibid., paragraph 34)

52. The CJEU's decision in *Colloseum* should therefore be taken into account in specific instances where the mark is used as registered, albeit as part of a composite mark (I shall return to this point, briefly, later in this decision). For example, if the mark registered were this stylised badge device:



and the only use of that badge device that could be demonstrated were its use in conjunction with the mark 'Volkswagen' (assuming 'Volkswagen' is a registered mark), for example, like this:



then (applying the principles in *Colloseum*) it would lead to a conclusion that the genuine use conditions of the badge device would be met.

53. Therefore, although *Nirvana* was decided before *Colloseum*, *Nirvana* remains sound law so far as the question of whether the use of a mark in a different form constitutes genuine use of the mark as registered.
54. Indeed, in *Lactalis McLelland Limited v Arla Foods AMBA*, BL O/265/22, Professor Phillip Johnson, sitting as the Appointed Person, considered the correct approach to the 'variant form' test. He said (my emphasis):

*"13. [...] While the law has developed since Nirvana [BL O/262/06], the recent case law still requires a comparison of the marks to identify elements of the mark added (or subtracted) which have led to the alteration of the mark (that is, the differences) (see for instance, T-598/18 Grupo Textil Brownie v EU*IPO, EU:T:2020:22, [63 and 64])."*

PROOF OF USE

Applicant's evidence

55. In his Witness Statement, James Trainor defines the Earlier Word Mark as “the VW mark”,²⁶ and vehicles manufactured and sold by Volkswagen as “VW vehicles”. James Trainor states (my emphasis):

“5. The VW mark is used in various versions. Generally, the mark is used with the letters VW in plain character placed above each other and surrounded by a circle, as in the examples below, and occasionally used in plain text.”



6. The VW mark appears on every vehicle manufactured and sold by Volkswagen (“VW vehicles”) front and rear. It appears on all paper documents which accompany the sale of the VW vehicles and in the vehicle manual, as well as in the centre of the vehicle steering wheel and in the centre of the wheels. It appears in the signage outside the showrooms of authorised repairers and retailers and on the roadside signage outside the premises of authorised repairers and retailers. It appears on all corporate documents (e.g. invoices), presentations and reports. It appears in advertisements and sponsored events, as well as on all Volkswagen’s websites. Examples are provided in EXHIBITS VW1-12, as detailed below.

56. In reviewing the Applicant’s evidence, I have borne in mind that it is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use.

57. I note that none of the evidence before me relates to “*apparatus for locomotion by air or water and parts therefor*”.

²⁶ Any reference in his statement to “the VW mark” is therefore a reference to the Earlier Word Mark.

58. Whilst the evidence relates, for the most part, to vehicles, specifically wheeled vehicles (i.e. it relates to cars and vans), the Applicant has produced some evidence relating to an authorised supplier of genuine vehicle parts for the 'Volkswagen Group' (see EXHIBIT VW3). This evidence comes in the form of undated photographs of the supplier's corporate signage rather than images of any vehicle parts. For example:



59. The evidence predominantly relates to the relevant periods (with any exceptions not making a material impact to the assessment) and it predominantly relates to the UK (with some exceptions).²⁷ Where any evidence falls outside of the relevant territory and/or outside of the relevant periods, I have not taken it into account.
60. For example, EXHIBIT VW12, pages 4-5, - this exhibit includes evidence of screen shots dated 1 March 2020, taken from various websites that are online forums for

²⁷ See EXHIBIT VW9, pages 3-7. This evidence comprises of adverts from 2021 displaying the website address 'www.volkswagen.de' ('.de' being the top-level domain assigned to Germany). Germany was not the relevant territory in 2021.

It is also impossible to deduce from the evidence whether any of the members posting in the forum were based in the EU. I will therefore not take this evidence into consideration.

'VW' used "in various versions"

61. "Occasionally used in plain text"

- (1) I have observed that 'VW' appears in plain text in some parts of the evidence. In his Witness Statement, James Trainor states (emphasis added by the witness) that "*'VW' is generally recognised as a reference to Volkswagen, as seen in the examples at EXHIBITS VW12-13.*"²⁸ I note from the outset that, in assessing all the evidence, the question to be answered is not whether the letters 'VW' are generally recognised as a reference to 'Volkswagen', but whether such evidence demonstrates 'genuine use' of the Earlier Word Mark i.e. whether it amounts to real commercial exploitation of the Earlier Word Mark by the Applicant (or authorised third parties) which includes affixing the Earlier Word Mark (or at least an acceptable variant form of the mark) to the goods for which use must be proven. Such use must be consistent with the commercial *raison d'être* of the mark, which is to create or preserve an outlet for the goods that bear the mark.

²⁸ Paragraph 16.

- (2) I also note that with some minor exceptions (detailed below), throughout the entirety of the evidence, the Applicant exclusively refers to itself as ‘Volkswagen’ and to its vehicles as either ‘Volkswagen(s)’ or ‘Volkswagen [+model name]’ for example, ‘Volkswagen Polo’, ‘Volkswagen Beetle’, ‘Volkswagen Golf’ etc.
- (3) After reviewing all of the examples where ‘VW’ appears in plain text, I conclude that the Applicant has failed to produce any satisfactory evidence of genuine use of ‘VW’ in plain font. Given my conclusion, I deem it appropriate to detail below the examples presented to me in the evidence and include my observations and comments.

See what others are saying about the Volkswagen Tiguan



It is a social media hashtag for “#VWTiguan” used on two posts dated 25 May 2021 (for ease of reference, I have indicated to the examples using arrows). I understand from the evidence that ‘Tiguan’ is the name of a car model produced by the Applicant.²⁹ This is not ‘genuine use’ of the Earlier Word Mark.³⁰

²⁹ This evidence is taken from page 24 of EXHIBIT VW1. I note that the page numbering in EXHIBIT VW1 stops at page 22 of 26. The remaining 4 pages of the exhibit are not numbered so I refer to them in the consecutive order in which they appear in the exhibit as though they were numbered.

³⁰ I note that even if it were, it would only show use for one of the relevant periods and it is dated less than two months before the filing of the invalidity action. In addition, this example is dated one month after

(5) Example 2

³¹ It is my understanding that ‘proofs’ are prepared by printing companies/advertising companies to check everything is in order before going to print – the proof is sent to the client for approval. The print proof references wouldn’t appear in the final version that went to print (so they would not be seen by the consumer anyway). Some examples are below (for ease of reference, I have indicated to the examples using arrows):

Generated at: Wed May 11 18:22:22 2016

	client: DDB London	publication: Guardian	Operator
	account: VWG Volkswagen	size: 330mm H x 228mm W	QC
	project: Fast Start Golf	ins date: 16 May 2016	Acct Handler
	job title: Sunken	language: Eng	Page 1 of 17
	order no: Order No	country: UK	

Name & Path: volkswagen:2018:Q2:P0429 WORLDCUP SUV:83514_170x264_WORLDCUP_SUV_Times.indd

Studio No: P0429 Order No: None Finance Job No: None Client Job No: None Pickup No: None Campaign Code: --	Client: Volkswagen Brand/Category: Worldcup SUV Campaign: None Product Name: None Product Variant: None Audience: None	1 of 1 Pages Date Created: 6-11-2018 5:18 PM Saved: 6-12-2018 10:24 AM Publication: The Times Media Type: Print_Multiple Tier: None	ArtDir: -- Pr Mgr: -- Acc Mgr: -- QA Mgr: stuart.snelson@gutenbergglobal.com Artworker: simon.buckridge@gutenbergglobal.com Designer: --
---	---	--	---

Bleed:None
 Trim:170 mm x 264 mm
 Safety:None
 Asset Type:Global_Master
 Status:IN_Concept

Agency Revisions: 0
 Client Revisions: 0

Cyan, Magenta, Yellow, Black

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Previous User: Simon Buckridge

	PRODUCTION	KH9501_VW_TOUAREG_INTERIOR_48_SHT_MASTER	Proof: 1	JOB N°: KH9501	48 SHEET ARTWORK PRO 1:10
	Date: 26/07/18	Size: 304.8x609.6mm	Publication: MASTER		

This is not ‘genuine use’ of the Earlier Word Mark.

the Applicant notified the Proprietor of its intention to seek invalidation of the registration of the Contested Mark (such date being 27 April 2021). I would not give it any weight in any event.

³¹ These can be seen in EXHIBITS VW4, VW6, VW7 and VW9.

(6) Example 3

Wolfsburg/Frankfurt am Main – The curtain has been raised on “New Volkswagen”: On the evening before the first press day of the IAA International Motor Show in Frankfurt, the Volkswagen brand has unveiled its new logo and its new brand design. This world premiere marks the start of a new era for Volkswagen, accompanied by the presentation of the full-electric ID.3¹ at the same time. Volkswagen’s future is electric, fully connected and has a neutral carbon balance. With its new brand design, VW has created a uniform global 360° brand experience which is more modern and more authentic. The new Volkswagen logo with its flat two-dimensional design is clearer and has been reduced to its essential elements. The brand design and the logo aim for high flexibility and are intended for digital applications. The realignment of Volkswagen’s brand design is one of the world’s largest rebranding campaigns. The changeover to the new brand design is due to be completed by mid-2020.

This is not ‘genuine use’ of the Earlier Word Mark.

(7) Example 4

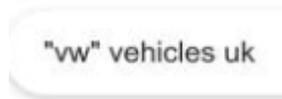
EXHIBIT VW12 has been entered into evidence to demonstrate that ““VW” is generally recognised as a reference to Volkswagen”. The Applicant submits that:

“A Google search for “VW” in relation to the relevant goods (vehicles) in the relevant territory (UK) identifies only results which refer to the Cancellation Applicant’s goods, at least for the first two pages of the index of results (EXHIBIT VW12, pages 1-3). The Google searches find results showing use of VW by both the Cancellation Applicant itself and third parties. The remaining examples provided at EXHIBITS VW12-13 show use of “VW” to

*identify the Cancellation Applicant's goods by third parties, including the [Proprietor].*³²

EXHIBIT VW12 comprises of:

- (a) 'Page 2' of internet search results conducted using the search engine Google on 3 February 2022, using the following search term:³³



34

<https://www.volkswagen-vans.co.uk> > ...

VW Vans & Commercial Vehicles | Volkswagen UK

VW Commercial Vehicles have a wide choice of quality vans, pickup trucks and passenger carriers with long heritage. Book a test drive of **VW** commercial ...

<https://www.vwpress.co.uk>

Official Media Site - VW Press UK Media Site

Volkswagen is driving forward the shift to electric vehicle manufacturing with its ACCELERATE strategy. Today's official start of production of the ID.5 and ...

- (ii) I am cautious with giving any weight to this kind of evidence, particularly when I am aware that search engines such as 'Google' use 'keywords' (these 'keywords' can sometimes be paid-for by a content provider to show related results, even when, in certain instances, the keywords may not even be displayed in the actual webpage itself). In any event, this evidence post-dates the relevant period.

³² See the Applicant's submissions dated 10 February 2022, paragraph 11.

³³ I note that pages 1 and 2 of EXHIBIT VW12 are duplicates (albeit they bear a different time stamp i.e. they were printed 9 minutes apart on the same day).

³⁴ There are other references to 'VW' in this evidence from websites that state they are 'official dealers' of new 'Volkswagen' cars as well as dealers of used 'Volkswagen' cars. Refer to my comments on the 'Google' evidence in my paragraphs 61(7)(a)(ii)&(iii), and my comments about second-hand sales and third-party retailers in my paragraph 61(8).

(iii) What's more, I note that pages 5-7 of EXHIBIT VW1 include screenshots of the website 'www.volkswagen-vans.co.uk' (which is a website included in the 'Google results') and nowhere in these pages is 'VW' used in plain text. It was clearly open to the Applicant to have filed screenshots of this website where it uses 'VW' in plain text, but it did not do so. I bear in mind the Appointed Person's comments in *Awareness Limited v Plymouth City Council*,³⁵ that:

"The burden lies on the [invalidation applicant] to prove use [...] it is not strictly necessary to exhibit any particular kind of documentation, but if it is likely that such material would exist and little or none is provided, a tribunal will be justified in rejecting the evidence as insufficiently solid. [...] A tribunal is entitled to be sceptical of a case of use if, notwithstanding the ease with which it could have been convincingly demonstrated, the material actually provided is inconclusive. By the time the tribunal (which in many cases will be the Hearing Officer in the first instance) comes to take its final decision, the evidence must be sufficiently solid and specific to enable the evaluation of the scope of protection to which the [invalidation applicant] is legitimately entitled to be properly and fairly undertaken, having regard to the interests of the [invalidation applicant], the [proprietor of the later right] and, it should be said, the public."

- (b) Screen shots of webpages from an internet forum for car enthusiasts named 'VW Forum'.³⁶
- (c) Screen shots of webpages from an internet forum for car enthusiasts named 'VWFORUM.CO.UK',³⁷ this appears to be a third-party forum. The exhibit is extremely poorly reproduced to the point that it is completely illegible in parts. Most of the dates of the posts on this website appear to be from 2022 in any event, with some (although I cannot decipher the actual

³⁵ Case BL O/236/13, paragraph 22

³⁶ I have already discounted this evidence in my paragraph 60.

³⁷ Pages 6 to 8 of EXHIBIT VW12.

date) from 2021. The witness has circled references to 'VW'. For example, the witness has drawn my attention to the following examples (where 'VW' is included in the name of discussion topics or to relate to car parts): "The VW Social Club"; "VW Engine and Gearbox"; "VW Emissions Cheating Scandal – 'diesel dupe'"; "VW Beetle Parts"; "General VW Parts For Sale". This is not evidence of 'genuine use' of the Earlier Word Mark.

(d) Screen shots of webpages from an internet forum for 'Volkswagen enthusiasts' named 'Volkswagen FORUM'.³⁸ No domain name is provided and no information about the location of the forum provider therefore it is not possible to deduce whether this is a forum that would have been made available to EU and UK consumers during the relevant periods. Again, this evidence is extremely poorly reproduced and is completely illegible in parts. The witness has circled references to 'VW' (as seen below). Some of the dates seem to range from 2020 to 2022. For ease, I have inserted an extract from these pages (exactly as produced in evidence):

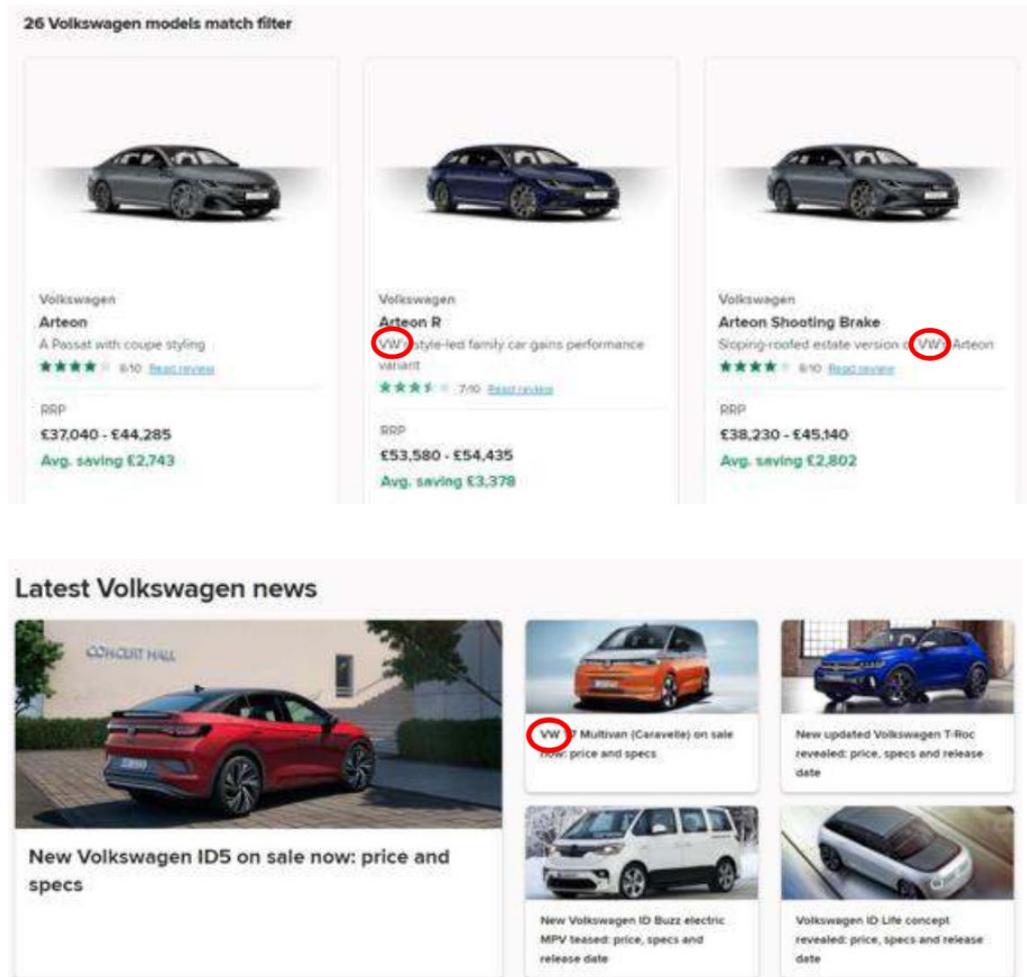
 Volkswagen Beetle (18 Viewing)	Engine Won't Idle By Reagen 01-15-2022 03:43 AM >	1,372	3,277
 Volkswagen Phaeton	VW Phaeton By ...Cate 02-05-2021 03:45 PM >	51	100
 Volkswagen Polo (7 Viewing)	Ofp 2011, 1,2 TDI By Justin Cate 10-06-2021 10:04 AM >	176	440
 Volkswagen Touareg	Upgrading Halogens to... By ...ana2006 09-02-2021 01:24 PM >	101	173
 Volkswagen Tiguan	201 VW Tiguan 2.0 Turbo w/... By Trailbreaker2012 09-11-2021 04:28 PM >	58	110
 Volkswagen Vans - Routan, Sharan, Caddy, Transporter	Trip with VW campervan... By ...llias 09-24-2021 04:28 AM >	103	202
 Other Volkswagen Models	2021 Arteon dashboard... By HelenREwards 01-03-2022 05:30 AM >	220	402
SHOW TIME			
 Interior What have you done to the inside of your ride? Customized it? Kept it super clean? Talk about it here.	VW IP- adjustable ... By Kathuk 09-21-2020 09:37 AM >	38	125

This is not evidence of 'genuine use' of the Earlier Word Mark.

(e) Screenshots (of what appears to be a website) called 'carwow' that sell new and used 'Volkswagen cars'. I understand, based on the Applicant's

³⁸ Pages 9 to 10 of EXHIBIT VW12.

submissions,³⁹ that 'carwow' is a third party. No evidence has been produced to me as to whether 'carwow' is an authorised third-party retailer for the Applicant. These references (which were poorly reproduced) appear to be brief descriptions of the vehicles being sold via this website (the witness has circled the references to 'VW'), as can be seen below:



This is not evidence of 'genuine use' of the Earlier Word Mark and in any event, it is undated.

- (8) As a general point I note that use of a car maker's trade mark in relation to the sale of used vehicles and/or parts, may in principle constitute genuine use of the mark if such use has been approved by the trade mark owner and it is for the purpose of creating or preserving a market under the trade mark. By contrast, use of the trade mark by a third party which indicates only the

³⁹ See paragraph 11 of the Applicant's submissions dated 10 February 2022.

undertaking originally responsible for manufacturing the vehicle (e.g. “we sell used BMWs”) is not use of the trade mark in accordance with its essential function and, therefore, not genuine use of the trade mark by that third party.⁴⁰

(9) Example 5

(a) In his Witness Statement, James Trainor states:

“12. The VW mark is used in plain text in website and email domain names such as, by way of example, vwpress.co.uk and the following emails from authorised retailers:

- a. Drift Bridge m.wrigley@dribridgevw.co.uk*
- b. Swansway Garages a.poole@crewevw.co.uk
a.shayestehroo@wrexhamvw.co.uk*
- c. Tanner Automotive des.rodgers@alandayvw.co.uk*

(b) The above domain name and email addresses do not constitute ‘genuine use’ of the mark.

62. All of the above points lead to my finding that the Applicant has failed to produce any satisfactory evidence of genuine use of ‘VW’ in plain font.

63. The ‘vehicle badge’

(1) The evidence overwhelmingly, and almost exclusively,⁴¹ relates to one of the following variants of the Applicant’s vehicle badge, namely:

1.



2.



3.



⁴⁰ See joined cases C-720/18 & C-721/18, EU:C:2020:854, *Ferrari SpA v DU*, wherein the CJEU was asked to consider whether the sale of used goods can constitute genuine use (in particular paragraphs 55-56). In that case, the proprietor of the trade mark, Ferrari, claimed to have resold, after inspection, used vehicles bearing the marks at issue.

⁴¹ Save for the examples detailed in my paragraph 61.

The evidence predominantly relates to badge number 3, however, in the more recent evidence (from 2019 onwards – as the corporate logo on stationery and on brochures etc; and from 2020 onwards – on the vehicles themselves),⁴² it relates also to the slightly altered iterations of the badge as shown in images 1 and 2.⁴³ For example, on a vehicle up to and including 2019, the badge displayed was a version of badge number 3 as follows:



And from 2020 onwards, it was a version of badges 1 and 2 as follows:



(I will hereinafter refer to the three badges collectively as “**the Volkswagen Badge**”.)

- (2) The same is true of the Applicant’s websites;⁴⁴ brochures and price lists;⁴⁵ corporate signage and stationery;⁴⁶ and advertising and press releases,⁴⁷ i.e. the Volkswagen Badge can be seen throughout these. Below are

⁴² As can be seen throughout EXHIBITS VW1 to VW11.

⁴³ I understand from the press release dated 9 September 2019, included in EXHIBIT VW10, pages 10-12, that the ‘logo’ underwent a re-design and that the roll-out of the new design was estimated to be completed by mid-2020.

⁴⁴ EXHIBIT VW1

⁴⁵ EXHIBIT VW2

⁴⁶ EXHIBITS VW3 and VW11

⁴⁷ EXHIBITS VW4 to VW10

representative examples of that use:



- (3) What is clear from the evidence is that the Volkswagen Badge can be seen displayed on the front and back of cars and vans and on the centre of their wheels and steering wheels throughout the relevant periods.
- (4) James Trainor produced the following table of sales figures in his Witness Statement:⁴⁸

Year	VW Vehicles sold
2016	202,533
2017	204,040
2018	198,218
2019	195,455
2020	144,842
2021	145,519

To give context to the figures produced to me, I have reviewed the evidence contained in EXHIBIT VW14 (which provides evidence of the Applicant's market share). Whilst EXHIBIT VW14 has been produced to demonstrate enhanced distinctive character, it nonetheless is relevant to provide a backdrop to the above sales figures and the evidential picture as a whole, insofar that it shows that the Applicant was the leading car company in the UK between 2019 and 2021 and that it held a fluctuating market share (of between approximately 5% and 12%) of the UK car market from December 2016 to December 2020.

- (5) Taking into account the above evidence and the sales of vehicles manufactured by 'Volkswagen' in the UK during the relevant period, this

⁴⁸ This table was produced by James Trainor in his Witness Statement at paragraph 7. 'VW Vehicles' in the table heading is defined by the witness as "vehicles manufactured and sold by Volkswagen"

satisfies me that there has been significant use of the Volkswagen Badge in the UK during the relevant periods on *“Apparatus for locomotion by land; Vehicles, including automobiles; Wheeled vehicles”*.

- (6) It seems doubtful that the evidence in relation to ‘vehicle parts’ on the other hand, if taken individually, would be sufficient to constitute proof of use of a trade mark.⁴⁹ However, examining the evidential picture as a whole, it is clear that the Applicant manufactures a significant number of vehicles displaying the Volkswagen Badge, it is therefore inherent that the parts that make up those vehicles are manufactured by the Applicant and that the Applicant would sell spare parts (via authorised third parties) for the repair of those vehicles. I think it is therefore reasonable to conclude that there has been use of the Volkswagen Badge in the UK in relation to ‘vehicle parts’, during the relevant period, and that the examples that have been produced as evidence of such use are as follows:⁵⁰



Summary of the conclusions on the proof of use evidence, and answering question one of the *Nirvana* test

64. The Applicant has not shown any use of the Earlier Word Mark in relation to the following goods:

“Apparatus for locomotion by air or water and parts therefor”

65. The Applicant has not shown genuine use of ‘VW’ in *“plain font”* in relation to the relevant goods.

⁴⁹ The evidence to which I am referring relates solely to undated pages 10-14 of EXHIBIT VW3, i.e. corporate signage of a supplier for ‘Volkswagen Group Genuine Parts’. Examples of which are provided in my paragraph 58.

⁵⁰ These images are taken from pages 10-14 of EXHIBIT VW3 and they show the Volkswagen Badge with the words ‘Volkswagen’ and ‘Commercial Vehicles’ below.

66. The Applicant has shown genuine use of the Volkswagen Badge throughout the relevant periods in relation to the goods set out below:

“Apparatus for locomotion by land and parts therefor; Vehicles, and parts therefor, including automobiles and parts therefor; Wheeled vehicles”

67. Therefore, to answer question one of the *Nirvana* test, the mark that has been presented as the trade mark on the goods, and in the marketing materials, during the relevant period, is the Volkswagen Badge.

68. Returning to my earlier reference to the *Colloseum* case,⁵¹ it would, in my view, be a distortion of the case-law principles (permitting a finding of genuine use of an earlier mark where it is has been used with, or as part of, a composite mark) to conclude that the Volkswagen Badge constitutes genuine use of the Earlier Word Mark, particularly noting the express wording of section 47(2C)(a) of the Act.

69. What remains to be determined is whether the Volkswagen Badge is an acceptable variant form of the Earlier Word Mark (and therefore whether use of the Volkswagen Badge constitutes genuine use of the Earlier Word Mark). I shall address this matter below by turning to the second question in the *Nirvana* test.

Answering question two of the *Nirvana* test – distinctive character

70. Before I proceed with addressing the second part of the *Nirvana* test, I note that, as I have already mentioned, the question as to whether a mark has acquired enhanced distinctive character as a result of the use made of it, is a question that is separate to whether a mark has been put to genuine use and is a question that comes after a proof of use question. Therefore, when considering the distinctive character of the earlier mark (as the *Nirvana* test requires me to do), I am assessing the inherent distinctive character of the mark and not any enhanced distinctiveness it may have acquired.

71. The Applicant has submitted that the application for registration of its EUTM was

⁵¹ See my paragraphs 50 to 54.

filed on the basis that the “word mark VW covers use of VW in any form, colour or font type, in line with EU and UK trade mark practice and the relevant case law, which has remained consistent until now (see, among others, O/091/19 Dreamers Club, par. 11, citing T-24/17 La Superquimica v EUIPO, par. 39). Indeed, the Earlier Trade Mark is used in various versions, as seen at paragraph 5 of [the Witness Statement of James Trainor] and in its exhibits.”⁵²

72. That is indeed consistent with what is said in ‘La Superquimica’. This approach to word-only marks for example, avoids a trade mark owner having to register every minor variant of their mark that they use when exploiting it commercially. However, this must be balanced with the statutory proviso that such differences do not alter its distinctive character (and if it does, a separate registration would be necessary). To allow such a loose approach to word-only marks and to accept any variant whatsoever as use of that mark, would circumvent the statutory provision in relation ‘variant forms’ and that clearly cannot be the acceptable stance, and certainly not what would have been intended by the provisions set out in the relevant case law.
73. It is important to have in mind the key purpose behind the requirement to use a mark in the form registered, or at least in a form that differs in elements which do not alter the distinctive character of the mark, which is, to allow the owner of the mark to properly rely on it. In other words, any differences made to the form, colour or font of the registered mark can be acceptable variants, providing they do not alter the distinctive character of the mark registered, and such acceptable variants can then be relied on to prove use of the registered mark. Variants that go beyond the test set out in *Nirvana*, cannot therefore prove use of the registered mark (even if the trade mark in the variant form is also registered by the same owner).
74. The trade mark that has been used by the Applicant is the Volkswagen Badge. Therefore the second *Nirvana* question to answer is whether that sign differs from the Earlier Word Mark in elements that do not alter the distinctive character of the

⁵² These submissions are taken from paragraph 7 of the Applicant’s submissions dated 10 February 2022. It refers to paragraph 5 of the Witness Statement of James Trainor – this paragraph is set out at my paragraph 55.

latter. This second question breaks down into three sub-questions as follows:

(1) What is the distinctive character of the registered trade mark relied on?

(a) The Earlier Word Mark is a word-only mark which comprises of the letters 'VW'. The inherent distinctive character of the Earlier Word Mark therefore lies solely in those letters.

(b) In *Kunze Folien GmbH v Kartell UK Limited*,⁵³ Mr Iain Purvis KC sitting as the Appointed Person, referred with approval to the decision of *Alfa-Beta Vassilopoulos AE v Agro de Bazan*,⁵⁴ which stated as follows:⁵⁵

“As to the distinctive character of the letter combination ‘AB’ in the earlier marks and of the contested mark, either perceived as the letter ‘B’ or as a possible letter combination such as ‘PB’ or ‘AB’, it should be noted that letters or letter combinations of two or three letters are inherently weak, given the limited number of letters in the alphabet, the great number of meanings that acronyms and abbreviations may have and the fact that consumers frequently encounter abbreviations and letter combinations of all kinds in everyday life and business as generic abbreviations but not as marks. In view of this, the graphical design in which the letter combinations appear strongly influences the consumer’s perception. The distinctive character of the conflicting marks to a large extent rests in their specific graphic elements.”

Mr Purvis regarded this as *“an important point, well expressed by the Board”*.

(c) I find that the inherent distinctive character of the letters 'VW', for the relevant goods, is low because the mark consists merely of a plain, two-letter combination.

⁵³ BL O/085/14, paragraph 29

⁵⁴ Case R 82/2011-4 of the Board of Appeal of OHIM (now the EUIPO), paragraph 16

⁵⁵ The Board of Appeal considered the letters 'AB' in a stylised form against 'AB' in a different stylised form.

(2) What are the differences between the mark used and the registered trade mark?

(a) The two marks are set out below:

Earlier Word Mark	The mark used i.e. the Volkswagen Badge
VW	

(b) Fundamentally, the answer to this question is that the differences lie in the presentation of the two marks. The Earlier Word Mark clearly comprises of the letters 'VW' next to each other, whereas (after taking into consideration the stylistic presentation of the Volkswagen Badge as I have set it out below), it is not patently apparent that it consists of the letters 'VW'.

(c) In formulating the answer to this question, I have taken into consideration that, whilst the component parts of the badge consist of what may be perceived as lettering surrounded by a circle, the presentation is not banal and there is more stylisation to it than merely that.⁵⁶ For example, the badge is not simply *"the letters VW in plain character placed above each other and surrounded by a circle"*⁵⁷ like this:



(d) For instance, where the centre of the circle (of the Volkswagen Badge) is perceived as consisting of the letter 'V' above a 'W', I note that the letters are not the same size and that the letter 'V' is smaller than the 'W', and also the

⁵⁶ In making this finding I have not overlooked that the General Court in *Hyphen GmbH v EU IPO*, Case T-146/15, found that the mere addition of a banal circle did not alter the distinctive character of the mark on the facts of that particular case.

⁵⁷ Paragraph 5 of the Witness Statement of James Trainor.

line that separates the 'V' from the 'W' (i.e. where the apex of the 'W' meets the trough of the 'V') is barely perceptible.

- (e) The vantage point in the images below (which I have taken from the evidence), is demonstrative of how the consumer is likely to encounter the Volkswagen Badge on the goods, and as can be seen, the dividing line is barely, if at all, perceptible:



- (f) It is therefore conceivable that the 'lettering' may not even be perceived as the letters 'VW' at all, rather, the Volkswagen Badge could be perceived as depicting a singular stylised letter 'W' (particularly when considering that it is possible for a plain character font to depict the letter 'W' with a crossed central vertex e.g. like this: 'W') or the lettering in the badge could be perceived as two intersecting 'V's for example, rather than a 'V' placed above a 'W'.
- (g) It is also tenable that the 'lettering' may not be perceived as lettering at all, rather it may merely be perceived as stylised geometric lines.⁵⁸ What's more,

⁵⁸ Particularly when considering the word 'Volkswagen', as demonstrated in the evidence, does not appear on the vehicles themselves and therefore there is nothing to reinforce, in the consumer's mind, that the badge consists of an abbreviated reference to the manufacturer.

there is the additional stylistic element of the straight lines forming, and becoming part of, the circle that surrounds them, rather than being distinct and separate from that circle, which could further detract from those straight lines appearing as lettering and contribute more to the perception of them appearing merely as stylised geometric lines.

(h) The stylisation of the Volkswagen Badge is such that it provides scope for it to be perceived in multiple ways (and perhaps not as comprising of letters at all) and not simply as the plain letters 'V' above a 'W' surrounded by a banal circle.

(3) Do the differences identified in (2) alter the distinctive character identified in (1)?

(a) The answer to this question is yes. Presupposing that the Volkswagen Badge is perceived as consisting of the letters 'VW', it is the specific graphical design of the Volkswagen Badge that alters the distinctive character of the letters 'VW' that form part of the badge. Indeed, it is the stylisation of the Volkswagen Badge that elevates the distinctive character of the letters (and all the more so since the stylisation has the potential to alter the perception of what those letters may in fact be).

(b) In my view, the Applicant's characterisation of the Volkswagen Badge is a downplaying of the distinctive character of the badge. The Volkswagen Badge is more distinctive than the Applicant's characterisation due to its design, and in my opinion, the distinctive character of the Volkswagen Badge rests significantly in its specific graphical design and the placement of the lettering (or straight diagonal lines, as the perception may be) in that design.

(c) The distinctive character of the Volkswagen Badge is relatively high (at least a medium degree of distinctiveness) on an inherent basis, despite its deceptive simplicity in design. I have already found that the distinctive character of the Earlier Word Mark is inherently low.

(d) Since the inherent distinctive character of the Volkswagen Badge is higher than the distinctive character of the Earlier Word Mark, it follows that the

distinctive character of the “*plain character*” letters ‘VW’ is altered in the mark that is actually used.

Conclusion on the variant form and conclusion on proof of use

75. Having applied the *Nirvana* test I conclude that the mark used i.e. the Volkswagen Badge, is not a variant form of the Earlier Word Mark because it differs in elements that alter the distinctive character of the Earlier Word Mark in the form in which it was registered. As a consequence, the use of the Volkswagen Badge that has been demonstrated, cannot constitute genuine use of the Earlier Word Mark to satisfy the requirements set out in section 47 of the Act. Given that the only use shown has been use of the Volkswagen Badge, I conclude that the Applicant has failed to prove use of the Earlier Word Mark.

Final Remarks

76. As my finding is that the Earlier Word Mark has not been used, there is no need to consider the claim under section 5(2)(b) as it is irrelevant to the outcome, because, under section 47 of the Act, the registration of a trade mark may not be declared invalid on the ground that there is an earlier trade mark if the use conditions of the earlier trade mark are not met.

OUTCOME

77. The declaration for invalidity is unsuccessful. Subject to any appeal, trade mark registration number 3560628 shall remain on the register.

COSTS

78. The Proprietor has been successful and would ordinarily be entitled to an award of costs. However, as the Proprietor had not instructed professional representatives, he was invited by the Tribunal to indicate whether he intended to make a request for an award of costs, including accurate estimates of the number of hours spent on a range of given activities relating to the proceedings. It was made clear by letter dated 18 October 2022 that, if the pro-forma was not completed and returned, no costs would be awarded.

79. The Proprietor did not return a completed pro-forma to the Tribunal, and I therefore make no award as to costs.

Dated this 6th day of February 2023

Daniela Ferrari

For the Registrar