

O-012-09

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION Nos. 2453272 and 2453276  
BY THE EXPLORER GROUP LTD TO REGISTER THE TRADE MARKS**

**MAGNUM CLASSIC**

**AND**

**MAGNUM**

**IN CLASS 12**

**AND IN THE MATTER OF OPPOSITION  
THERE TO UNDER NO 95498 AND 95500  
BY RENAULT TRUCKS (SA)**

## **TRADE MARKS ACT 1994**

**IN THE MATTER OF Application Nos. 2453272 and 2453276  
By The Explorer Group Ltd to register the trade mark  
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**and**

**IN THE MATTER OF Opposition thereto under No. 95498 and 95500  
by Renault Trucks (SA)**

### **BACKGROUND**

1) On 23<sup>rd</sup> April 2007 The Explorer Group Ltd (“Explorer”) applied to register the following trade marks:

MAGNUM CLASSIC

and

MAGNUM

2) The applications were given the numbers 2453272 and 2453276 respectively. Both applications were made in respect of the following goods:

Class 12

Touring caravans, motorhomes.

3) On 17<sup>th</sup> September 2007, Renault Trucks (SA) (“Renault”) filed notice of opposition against both marks. The sole ground of opposition is section 5(4)(a) of the Trade Marks Act 1994 (“the Act”).

4) Renault say that their earlier right has been used in relation to “vehicles, commercial vehicles, utility vehicles, lorries and trucks throughout the UK since at least 1991”. I would just mention that the original notice of opposition claimed use from at least 2006, but this was amended during the evidence rounds and with Explorer’s agreement to read at least 1991. Renault say they enjoy an extensive reputation and goodwill in the use of the name MAGNUM, and that as a result the applications should be refused in their entirety under section 5(4)(a) of the Act.

5) Explorer say that the goods of the applications are “touring caravans and motorhomes”. Further, they say that the Renault MAGNUM product is a premium long distance vehicle (truck) specifically designed for “large scale transport in modern logistics for “just in time” deliveries”. No-one would confuse

the two vehicles. Explorer registered the name MAGNUM in 1999 with their industry body the National Caravan Council (NCC) and say they have used that name ever since that time. There is an attached extract from the NCC Model Name Register which they say shows that. Explorer would not object if Renault wished to register the name MAGNUM under the appropriate sub classification of Class 12 for trucks.

6) In due course both proceedings were, with the agreement of the parties and given the identity (at least in terms of distinctive elements) of the marks and commonality of issues, consolidated and progressed to the normal evidence rounds. Only Renault filed evidence. Neither party wished to be heard and neither did they file any submissions in place of being heard. Consequently the cases are now referred to me for a decision from the papers. For the record I should simply say that the consolidation of the cases was in my view entirely justified, and I will therefore treat both marks as materially the same and not giving rise to any difference in treatment or outcome. If in the course of my decision I refer to just one of the marks, 'MAGNUM', anything said will apply equally to both. Firstly I shall review the respective cases and evidence on file.

### **Opponent's evidence**

7) This takes the form of a witness statement dated 25<sup>th</sup> March 2008 by Patrick Burlot who is General Counsel of Renault Trucks. He says the opponents have a website [www.renault-trucks.co.uk](http://www.renault-trucks.co.uk) (actually owned by Renault Trucks UK Ltd, a wholly owned subsidiary) which has been registered since 1999. The website contains details of the "MAGNUM" range which was launched in the UK in 1991 and copies of pages from the website are at Exhibit B and carry photographs of trucks with a diamond device prominent in the grill of the cab. On the website, the word "MAGNUM" is not used alone but can be found used in conjunction with "RENAULT". Since launch some 3,000 branded vehicles have been sold in the UK. There is no breakdown of annual sales from 1991- 2002, but from 2002 to 2006 the annual sales are as follows:

<b>Year</b>	<b>Numbers of vehicles</b>
<b>2002</b>	<b>114</b>
<b>2003</b>	<b>220</b>
<b>2004</b>	<b>266</b>
<b>2005</b>	<b>196</b>
<b>2006</b>	<b>182</b>

At Exhibit E, Mr Burlot provides a selection of 6 invoices per year from 1993 to illustrate the sales of the trucks under the name "RENAULT MAGNUM".

8) The trucks supplied have a retail selling price of between £90,000 and just over £100,000 each in today's prices, and thus the income generated from sales over the period 1991 to the date of the applications equates to £20,000,000 -

£25,000,000, allowing for discounts. Mr Burlot can only give approximate amounts of advertising spend over the period 2002 – 2007 and these show £9,000 per annum with the exception of 2005 when the spend increased to £42,000 on the introduction of a new model. A network of dealerships is exhibited (Exhibit C) which shows some 35 dealers distributed across the UK including, for example:- Northern Ireland, Midlands, Devon, Newcastle.

9) Mr Burlot states that the name “MAGNUM”, as well as appearing on promotional materials, also appears prominently on the trucks themselves. In this regard, Mr Burlot says that the name appears in lettering 25mm high and approximately 200mm wide, and is positioned on the driver’s door and the passenger’s door, below the side window of each door and at the rear edge of the door. Mr Burlot says that the “MAGNUM” name is well known and enjoys a high reputation as shown by the results of “The Europe Customer Satisfaction Barometer 2007” (Exhibit D), which surveyed the owners of trucks and vehicles between the middle of 2005 and end of 2006. Although Mr Burlot does not say who commissioned, or was responsible for, the survey, the pages carry the name “3P Product Planning – Global Market Research” and the “Volvo” name and the cover page indicates that the results are from “Interviews of owners of trucks bought new between mid 2005 and fall 2006”. This survey classifies the “MAGNUM” as a “demanding long haulage” vehicle, and rates it against its competitors using a mix of measurements: objective satisfaction, product quality, brand image and affection. According to the survey, the new “MAGNUM”, introduced in 2006, rates relatively highly in terms of interior comfort with key strengths being visibility and living space in cab.

## **DECISION**

10) Section 5(4)(a) of the Act states:

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

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

11) The principles of the law of passing-off were summarised by Lord Oliver in *Reckitt & Colman Products Ltd v. Borden Inc* [1990] RPC 341 at page 406:

“The law of passing off can be summarised in one short general proposition-- no man may pass off his goods as those of another. More specifically, it may be expressed in terms of the elements which the plaintiff in such an action has to prove in order to succeed. These are three in number. First he must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing

public by association with the identifying 'get-up' (whether it consists simply of a brand name or trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff's goods or services. Secondly, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by him are the goods or services of the plaintiff.....Thirdly he must demonstrate that he suffers or, in a *quia timet* action that he is likely to suffer, damage by reason of the erroneous belief engendered by the defendant's misrepresentation that the source of the defendant's goods or services is the same as the source of those offered by the plaintiff.”

12) Further guidance on establishing likelihood of deception or confusion sufficient for a successful passing off action is given in Halsbury's Laws of England 4<sup>th</sup> Edition Vol 48 (1995 reissue) at paragraph 184 -188:

“To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

- (1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and
- (2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

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

- (a) the nature and extent of the reputation relied upon;
- (b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;
- (c) the similarity of the mark, name etc used by the defendant to that of the plaintiff;
- (d) the manner in which the defendant makes use of the name, mark etc complained of and collateral factors; and

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

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

13) First of all it is necessary to determine the material date in relation to the claim of passing off. It is well established that this date is the date of the behaviour complained of. Moreover, section 5(4)(a) is derived from article 4(4)(b) of First Council Directive 89/104 of December 21, 1998 which states:

“rights to a non-registered trade mark or to another sign used in the course of trade were acquired prior to the date of application for registration of the subsequent trade mark,.....”

In other words, the relevant date for determining the opponent’s claim, in the absence of any competing earlier claim on the part of the applicant, will be the filing date of the application in suit, that is to say 23<sup>rd</sup> April 2007.

### **Renault’s goodwill.**

14) I need to consider the nature and extent of Renault’s goodwill. In relation to ‘nature’, I need to test Renault’s claim that goodwill and reputation apply to the designation “MAGNUM” alone. In relation to ‘extent’, I need to test Renault’s claim that use of the mark “MAGNUM” by the applicant would invade the goodwill built up by them. Case law tells me that consideration of the extent of Renault’s goodwill is an essential step in the analysis. In the case of *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19, Pumfrey J said that:

“ the Registrar was entitled to be presented with evidence which at least raises a prima facie case that the opponent’s reputation extends to the goods comprised in the applicant’s specification of goods.”

15) As a preliminary comment, I have no difficulty concluding that “MAGNUM” is distinctive for the respective types of transport for, whilst alluding to qualities of size and/or capacity, the word is not objectively descriptive of such qualities and as such, would serve to distinguish both Renault’s and Explorer’s goods from those of another trader in the respective fields. However it is not the most distinctive of marks, such as an invented word for example.

16) I will begin by examining the nature of Renault’s goodwill. Renault’s evidence illustrates that the trucks in question are identified by a number of trade

marks. Extracts from Renault's own website presented at Exhibit B shows photographs of its trucks with a diamond device appearing prominently on the grill of the vehicle. In addition, "RENAULT TRUCKS", "RENAULT MAGNUM" and "RENAULT" alone appear prominently in these pages. The invoices provided at Exhibit E also illustrate use of "RENAULT MAGNUM". Notably, with the exception of the trade survey, none of the exhibits illustrate use of "MAGNUM" alone. In the case of "MAGNUM CLASSIC" there is no use at all. The trade survey does refer to "MAGNUM" on its own but, when the document is taken as a whole, it is clear that this is simple shorthand applied to all the trucks compared, which have been linked to their respective manufacturers: Renault, Daf, Iveco and so on at the very outset. However, I take judicial notice that vehicle manufacturers use a number of indicia to designate their vehicles. There will be what I would term 'primary' or 'house' marks:- Renault, Volvo, Saab, Chevrolet and so on to indicate the manufacturer, which may include also devices and badges such as the Renault diamond device. Secondary marks such as "MEGANE", "FOCUS", "TRANSIT", "VETO" are used to indicate particular models of cars and vans and I also take notice of the fact that the public often identify the product from the secondary marks alone. "MAGNUM" would appear to be a secondary mark as evidenced by the opponent's own references to "RENAULT MAGNUM" in the exhibits. Although the evidence fails to illustrate that "MAGNUM" is used on its own to identify the vehicles of the opponent, I am prepared to accept Mr Burlot's statement that it is recognised in that way, at least amongst the purchasers of such vehicles, in light of how secondary marks function elsewhere in the vehicle industry. I am supported in this from the trade survey which shows the limited nature of the market (6 competitors) and the fact the purchasing act for such a high value vehicle is going to be a highly considered and careful one. Purchasers and operators are likely then to adopt and be familiar with secondary indicia, with or without reference to other indicia in the same way as consumers of cars and vans are.

17) I now turn to the question of the extent of Renault's goodwill. It is at this point I need to address, from the evidence, exactly on what goods Renault use their "MAGNUM" mark on and whether that goodwill and reputation extends into Explorer's goods. Renault claim goodwill and reputation in relation to "vehicles, commercial vehicles, utility vehicles, lorries and trucks". Based on the evidence filed I regard this as too broad a description. The evidence shows only use in respect of trucks, specifically long distance haulage trucks. To me, it is this that defines Renault's "MAGNUM" market and not the broader description.

18) The evidence is frankly sparse in relation to the precise nature of that specific truck market, but what can be said is, as I have already in part concluded, that this is a market of very high value products (each truck costing between £90-100, 000 in today's money), of limited numbers of manufacturers (the survey identifies 6 competitors), of authorised dealerships (as stated by Mr Burlot at para 6 of his witness statement), reflecting no doubt the specialist nature of the sales and service required. The purchasers or leasers of these trucks are going

to be commercial operators, hauliers and so forth. To me, this is not a product that members of the general public will routinely require or even be possessed of a special knowledge.

19) Mr Burlot notes that usage of “MAGNUM” is on the side of the trucks themselves as well as on promotional material and the website. My assessment of this is that the evidence falls short of demonstrating that the wider public are going to be familiar with the word “MAGNUM” in relation to trucks, let alone a broader category of transport (specifically motorhomes and touring caravans) buying public. I have already concluded that usage of the mark is as a secondary mark behind “RENAULT” and/or the diamond device. Usage on the vehicles themselves may, as shown in the photographs of Renault’s trucks on their website at Exhibit B, be obscured or diminished by the liveries of hauliers, operators or other end users.

20) On the face of it, the market for long distance haulage trucks, used ostensibly for commercial purposes, will be different to that for motor homes and touring caravans. One is commercial, the other recreational; the relevant users will accordingly, as I have already said, be different, the one, commercial operators, the other, holiday makers subsumed within the general public. The exhibited survey is at least helpful in identifying the mix of factors that may go into the purchase of long distance haulage trucks; reliability, driver comfort, fuel consumption, service and so forth. Whilst such factors may well also resonate with the purchaser of Explorer’s products one cannot help but view their respective functions as entirely different. The only link, on the face of it, is that both use the roads and are vehicles, although in the case of touring caravans they will be towed and thus not even termed vehicles. Only at a very high level of generality might one say that trucks, by which I mean the cab component, and touring caravans and motorhomes may share the same purpose. For the purposes of these proceedings however, such a general level of ‘similarity’ is not sufficient.

21) At the margins it is possible that there may be some awareness of both parties use of the sign “MAGNUM”. Where, for example, a truck driver also indulges in caravan holidays as a pastime. Such individuals will be small in number. Further, there is no evidence that trucks and motorhomes and caravans are sold from the same outlets and in fact, no evidence of what the nature of the link between trucks and motorhomes might in fact be. I therefore conclude that only a small number of Renault’s customers will even be aware of the applicant’s use of the sign and that this is insufficient to support a claim for passing off. I am supported in this view by the comments of Jacob J in the Court of Appeal decision *Neutrogena Corporation and Anr. v Golden Limited and Anr.* [1996] RPC 473:

“... It is not a defence to passing off that many of a defendant's sales do not cause deception or confusion. There is passing off even if most of the



people are not fooled most of the time but enough are for enough of the time. By "enough" I mean a substantial number of the plaintiff's customers or potential customers deceived for there to be a real effect on the plaintiff's trade or goodwill. ..."

22) Whilst it may be said that the evidence in a section 5(4)(a) action before the registrar may be regarded as "less than perfect when judged by the standards applied in High Court proceedings.", nevertheless we should not accept "assertions without any real substantiation as sufficient to sustain an objection to registration under section 5(4)". *WILD CHILD Trade Mark* [1998] RPC 455 at 465. It was for Renault to make good their claim that "MAGNUM" had the necessary goodwill and reputation amongst the wider public. There is simply no evidence available to me which would help substantiate the required prima facie case that use of the mark "MAGNUM" by the applicant would invade the goodwill built up Renault.

23) I would just add finally that I am mindful of the claim that if the consumer would not necessarily believe that Explorer's products are those of Renault, they may well alternatively believe Renault have in some way licensed or otherwise controlled the manufacture of Explorer's products. As I have found however, based on the evidence filed, use of the mark "MAGNUM" by the applicant does not invade the goodwill built up by Renault. This finding applies both to situations where Renault is presumed to be directly responsible for Explorer's goods and where Renault may have been presumed to have licensed or otherwise controlled their production.

24) As I have found that the goodwill and reputation in the mark "MAGNUM" held by Renault does not extend into the field of motorhomes and touring caravans, as such I do not need to consider the elements of misrepresentation and damage.

## **Conclusion**

25) Taking all of the above into account and on balance I find that the oppositions to the applications fail in their entirety.

## **Costs**

26) The applicant is successful but has not apparently been represented or filed any evidence or submissions. In the circumstances I award Explorer the sum of £450 as a contribution towards the costs of the proceedings. The sum is calculated as follows:

1. Considering Notices of Opposition - £150
2. Preparing and filing counterstatements - £200

3. All other matters including considering Renault's evidence and correspondence -	£100
Total-	£450

27) It should be noted that in this breakdown of costs, the sums awarded represent no more than two thirds of what I may otherwise have awarded. This reflects the fact that the applicant has not had legal representation in these proceedings. The Civil Procedure Rules state at Part 48.6:

“48.6-(1) This Rule applies where the court orders (whether by summary assessment or detailed assessment) that costs of a litigant in person are to be paid by any other person.

(2) The costs allowed under this Rule must not exceed, except in the case of a disbursement, two-thirds of the amount which would have been allowed if the litigant in person had been represented by a legal representative.”

28) The above sum should be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 16<sup>th</sup> day of January 2009**

**Edward Smith  
For the Registrar,  
the Comptroller-General**