

EIP



When does use of a trademark cross the line?

BMW has been partly successful in a claim against an unauthorised car repair shop for infringement and passing off - Bayerische Motoren Werke AG (“BMW”) v Technosport London Ltd (“TLL”) and George Agyeton ([2016] EWHC 797 (IPEC)).

Background

BMW has registered EU Trade Marks covering the term “BMW”, the BMW roundel, and a logo containing the letter “M” (which is used on BMW’s sports range), for car maintenance and/or repair services.

In the course of trade as a car maintenance and repair company, BMW claimed that TLL had infringed its trademarks and passed off repair services as being associated with, or approved by, BMW. The uses that were complained of were the use of “BMW” on a t-shirt and on a Twitter account handle, use of a sign identical to the BMW roundel both inside and outside the premises, on a company van, on business cards and the company website, and use of a sign identical to the M logo on TLL’s website.

BMW claimed that the use of these signs was an infringement pursuant to Articles 9(1)(a) and (b) of Council Regulation (EC) 207/2009, and also of Article 9(1)(c) in relation to the use of the roundel and the BMW mark. In relation to passing off, BMW alleged that TLL’s use of the signs was likely to lead a substantial proportion of the public or trade to believe that TLL’s services were approved by or associated with BMW, whereas TLL was an independent garage and not an authorised BMW dealer.

TLL relied on Articles 12(b) and (c) of the Regulation to argue that use of the trademarks was to describe characteristics of its services and that use was necessary to indicate the intended purpose of its services. It also maintained that BMW had given consent to use of the marks, by allowing TLL to buy and sell authentic BMW products.

Decision

The question was whether an average consumer would think that any use of BMW's signs would only be by authorised parties, or, at minimum, whether such use would cause consumers to wonder whether the party was authorised.

The Court held that it was likely that average consumers would believe that the BMW roundel and "M" logo would only be displayed on and in the premises of a repair shop authorised by BMW. Even if that were not the case, the Court held that use of the logo would, at the very least, cause the average consumer to wonder whether a repair shop was an authorised BMW dealer. This was sufficient to find trademark infringement. Use of the two logos would confuse the public as it gave the impression that TLL were authorised by BMW, and considering that they were not authorised, it took unfair advantage of BMW's reputation as it had given TLL an enhanced ability to trade.

In this particular case, the existence of authorised garages, who have been licensed to use BMW's registered marks, played a key factor. BMW had not given express consent to TLL to use the trademarks, as no licence was in place. Further, the second Defendant had known that there had been no consent to use the marks as BMW had sent a letter in 2006.

The second Defendant was jointly liable as the sole director and shareholder of TLL.

An often-used defence to trademark infringement is that the use of the trademark was merely descriptive or was to indicate the intended purpose of the goods or services, and that the use of the mark was in accordance with honest practices.

In terms of the BMW word mark, the defence applied and there was no infringement or passing off. TLL advertising itself as "the BMW specialists" did not convey any implication that it was an authorised dealer and simply conveyed to consumers that had TLL traded in the maintenance and repair of BMW cars.

Comment

BMW had a largely successful outcome in this decision. Whilst the Court agreed that the BMW word needed to be used to describe TLL's services, it was not permitted to use the other two marks in the way that it had.

The Court distinguished between use of the sign being displayed on the outside of a garage or prominently inside the premises, and use of the sign on the packaging of spare parts (which suggests that the spare parts come from BMW, as opposed to the garage being authorised).

The decision is a warning to those traders who use registered marks owned by suppliers, and it is useful as it sets out the boundaries for referential use of a trademark. It identifies the specific situation where a trader who uses a supplier's sign goes beyond making an accurate statement, and into an implication of a connection or authorisation with the supplier. Whilst there is no strict rule as to what use is acceptable and what use is not acceptable (it will always depend on the facts of the case), it is important that no implied connection is made.

In promotional materials, the message here is that it is generally best to use a supplier's name to indicate the type of goods and services provided, and to avoid using the supplier's logos for that same purpose.

It is also important to remember that when it comes to trademark infringement, the Claimant does not have to prove any intention to confuse the public or take unfair advantage of a mark. It is the effect of the Defendant's actions in confusing the public that is significant.

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