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UK: BMW cross the line first in trade mark infringement case against unauthorised repair

Julius Stobbs (Stobbs IP) · Thursday, May 5th, 2016

In BMW v Technosport ([2016] EWHC 797 (IPEC)), BMW have had a largely successful outcome in this case before the UK Intellectual Property Enterprise Court over the use of a number of their trade marks by an unauthorised repairer. The case follows BMW AG v Deenik (C-63/97) the leading CJEU case on the key issue of "referential use". At its heart this is about whether the use of the signs "affect any of the functions of the trade mark", or in other words, did the context of the use mean the message conveyed was simply and accurately that the services provided were for BMW vehicles, or that this was a specialist in providing repair services for BMWs using genuine BMW parts. If so, the use either fell outside the scope of the EU trade mark infringement provisions altogether or there was a statutory defence to any infringement.

The three uses complained of were:

- The word mark 'BMW' used on a T-Shirt and the Twitter account handle '@TechnosportBMW';
- The BMW roundel on shop facia boards, internal signage, a van, the website and on business cards;
- The M logo on the website.

BMW owns EU trade mark registrations or EU designations of an International Registration for these three marks covering "car repair services".

The judge held that this was not as straightforward as whether this repairer was formally authorised (by contractual relationship) or not by BMW. On the evidence, he was persuaded that it was likely that the average consumer in the UK would think that any use of the M logo or roundel would only be by authorised parties, or that such use would at the very least cause the public to wonder if the entity was so authorised. The judge was not convinced that the evidence was sufficient to establish that the specific use of the BMW mark on its own implied authorisation.

Accordingly, the judge held there was infringement of the roundel and the M logo under Article 9(1)(a) (confusion in the sense of believing an economic link) and Article 9(1)(c) (unfair advantage of the reputation in that the implication of authorisation was good for business), but neither form of infringement in respect of the BMW mark.

The judge held that where he had found infringement there was also passing off, but not where there was no infringement.

It is of course settled law that it is possible to use another party's mark where that use is clearly simply to refer to that mark. Whilst there is prima facie infringing use in these circumstances, the use is effectively "descriptive" and so, as long as it is in accordance with honest commercial practices, there is a defence to the prima facie infringement.

Of course, logically there is no differentiation between plain word marks and other types of mark such as logos in this analysis. However, in this case, the judge took a different view in relation to the plain word mark over the two logos. Why? In essence a distinction is being drawn because the judge felt that these logo marks would be more likely to be interpreted by the consumer as meaning an official connection with the brand owner, as against the word mark. In addition it was felt that on this basis, if a formal connection is implied where there is none, it is difficult for the infringer to claim that its actions are in accordance with honest commercial practices.

Naturally this is a fine distinction where the services clearly relate to the marks in question.

This is a useful factual example for brand owners and traders alike illustrating the issue of referential trade mark use and the specific situation of a trader whose use of a supplier's sign goes beyond an accurate statement into an implication of a connection/authorisation when there is none. There can be no hard and fast rule as to what will and won't be acceptable as it will always depend on the specific context of the use complained of. However, this is a warning to those using logo marks of others with impunity. It is important in those circumstances that the message communicated to the consumer is clear.

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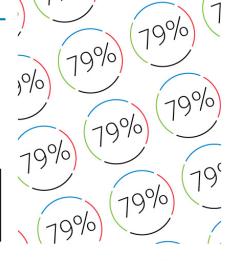
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