

O-220-04

TRADE MARKS ACT 1938 (AS AMENDED)

**IN THE MATTER OF APPLICATION No. 1501909
BY ROBERT DENNIS BUSBRIDGE TO REGISTER
THE TRADE MARK VIPER IN CLASS 12**

AND

**IN THE MATTER OF OPPOSITION THERETO UNDER No. 90677
BY KENNETH COOK**

TRADE MARKS ACT 1938 (AS AMENDED)

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by Robert Dennis Busbridge to register the
Trade Mark VIPER in Class 12**

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**IN THE MATTER OF Opposition thereto under No. 90677
by Kenneth Cook**

BACKGROUND

1. On 18 May 1992 Cobretti Engineering (a partnership) applied to register the mark VIPER for “sports cars; all included in Class 12”. The application is numbered 1501909. By assignment dated 22 October 1992 (but filed with the Registry on 13 March 2002) ownership of the mark is said to have passed from Cobretti Engineering to Autotrak Limited. By further assignment dated 18 March 2002 (filed with the Registry on 19 April 2002) ownership passed from Autotrak Limited to Mr Busbridge.

2. The application was published for opposition purposes in Trade Marks Journal No. 6421 on 13 March 2002. On 7 June 2002 Kenneth Cook filed notice of opposition to this application.

3. Mr Cook and Mr Busbridge were at one time in a business relationship. In particular Mr Busbridge or one of his businesses acted as an agent for vehicles (or kits) produced by Mr Cook or one of his businesses. That business relationship has long since ceased to exist but has resulted in the parties having rival claims to the mark VIPER. The details of the parties’ dealings with one another will emerge from my review of the evidence. There is one other surrounding circumstance which I should mention. Mr Cook was previously involved in a successful opposition (No. 35801) to Chrysler Motor Corporation’s application to register the mark VIPER (under No. 1410265). Mr Busbridge gave evidence in that case on behalf of Chrysler. My understanding is that an appeal was lodged against the Hearing Officer’s decision in that action but subsequently withdrawn. As a result the Chrysler application fell away. A copy of the decision in that case is annexed to Mr Cook’s statement of grounds.

4. Finally, by way of preface to the pleaded grounds I should say that Mr Cook is the proprietor of registration No. 2070139 for the mark VIPER in respect of “motor vehicles and parts and fittings for motor vehicles; kits and components for assembly into motor vehicles” (Class 12). As will be apparent from the numbering sequence this registration has a later filing date (30 April 1996) than the application now under attack. It would seem that No. 2070139 proceeded on the basis of honest concurrent use with, inter alia No. 1501909, and was not opposed by Mr Busbridge (though he is now seeking invalidation of the resulting registration).

5. On the basis of the above circumstances Mr Cook raises the following objections:

- (i) under Section 11 in that use of the mark would cause deception and confusion having regard to his own use;
- (ii) under Section 12(1) having regard to Mr Cook's own registration. It is further said that any use by Mr Busbridge has not been honest and so cannot benefit from the provisions of Section 12(2);
- (iii) under Section 17(1) in terms which I construe as meaning that the applicant has no bona fide claim to ownership of the mark.

6. Mr Cook also claims that Cobretti Engineering, the original applicant, went bankrupt in May 1993 and has never traded since. He, therefore, questions the legality of the subsequent assignments.

7. Mr Busbridge filed a counterstatement denying the above grounds. He denies that Mr Cook has at any time been the proprietor of the trade mark VIPER or, in the alternative, that any rights that did exist were abandoned prior to the filing date of the application in suit. In relation to the assignments, Mr Busbridge says that Autotrak Ltd took ownership of the mark on 22 October 1992, well before Cobretti Engineering ceased trading.

8. Both sides ask for an award of costs in their favour.

9. Both sides filed evidence. The matter came to be heard on 1 June 2004 when the parties represented themselves.

General observations on the evidence

10. The evidence in this case comes in the form of lengthy witness statements, two from Mr Cook and one from Mr Busbridge. Mr Cook's statement has 81 accompanying exhibits (strictly 80 as there is no exhibit KC30) and Mr Busbridge's 34. The evidence is, at various points, cast in terms which are accusatory and inflammatory. There are references in the evidence to various other actions involving the current parties and others, notably Mr Cook's trial for perjury and forgery for which he was found not guilty and a copyright action by Mr Cook against Mr Busbridge which appears to have petered out. These actions are not of direct assistance in determining the issues before me save insofar as they might shed light on the credibility or reliability of the individuals concerned. However, in the light of the outcomes of these cases I regard it as unsafe to draw conclusions from this material bearing on the integrity of the individuals concerned. I have, therefore, chosen not to summarise the various claims and counterclaims relating thereto.

11. More importantly and of rather greater concern is the doubt that has been cast on the reliability of certain documents that have been filed in evidence and which are directly relevant to the current proceedings and could have a bearing on the outcome of the case. These include in particular:

- a document (KC2) passing, inter alia, rights to the name VIPER from a company (Brightwheel Ltd) to Mr Cook. Mr Busbridge suggests that this was in effect a contrivance to enable Mr Cook to claim ownership of the mark;
- a document (KC 49/1) which purports to transfer certain VIPER rights from Mr Cook's Swiss agent (a Mr Kunzli) to Cobretti Engineering which Mr Cook says is a forgery. A claim that is further supported by a declaration from the alleged signatory to the document;
- an agreement (RB7) purportedly signed by Mr Cook, Mr Busbridge and the latter's brother in October 1989 granting Cobretti Engineering an agency for VIPER goods. Mr Busbridge says that this is not a genuine document as his and his brother's signatures on this document have been taken from another document.

12. There are other points of concern about the evidence from both sides including exhibits not properly headed for the proceedings; photocopied documents when the originals should have been filed; "To whom it may concern" letters and other material that should more properly have been the subject of formal evidence by the authors; and poor quality copies of certain exhibits which have made it difficult to determine their content and relevance.

13. The overview of the evidence that follows does not, therefore, attempt to rehearse all the issues raised by the parties, many of which are either peripheral to the matters before me for decision and/or are incapable of resolution on the available facts. Both sides have also made claims in relation to alleged wrongdoing by the other in relation to a host of issues and have sought to impute motives for each other's behaviour. This is not the forum for addressing the majority of the issues raised. It is, however, necessary to touch on certain points where they impinge on the trade mark issues before me. Where this is so I have endeavoured in what follows to present as balanced a view as possible whilst adopting a cautious approach to the claims and statements that have been made as to the other party's motives or intentions save where they appear to be acknowledged. My summary sets out what I consider to be the most relevant factual circumstances so far as they are common ground and identifies the key differences in the parties' position in relation to those facts and the interpretation they seek to place on those facts.

14. There is a further general problem with the evidence in that both parties have, it seems to me, sought to retrospectively explain and justify their actions – a problem that has been compounded by the sheer length of time that has elapsed between the events at the heart of the dispute and the date that evidence in relation to those events has been filed. I do not mean to be overly critical of private litigants but it is clear that insufficient regard was paid to IP issues at the time with predictable consequences at later dates. It has not proved possible to reconcile the many internal inconsistencies in the evidence filed by each side.

15. The events that underpin this action took place within the period 1985/6 and 18 May 1992, the latter being the filing date of the application and, therefore, the relevant date for determining the matter. There is some evidence as to developments after May 1992 but this is of marginal, if

any, relevance. I have for convenience linked my overview of the evidence to relevant timeframes in the sequence of events.

1985 to late 1989

16. In 1985 Mr Cook returned to the UK from Australia where he had been manufacturing fibreglass power boats. He decided to get into the kit car business and noted that one of the most popular kits available was for a replica of a car called a Cobra. His son joined him in the proposed business. Before setting up in his own right Mr Cook decided to test the water by taking on an agency for an existing Cobra manufacturer called Sheldonhurst. However, Sheldonhurst is said to have been declared bankrupt by December 1985 and this seems to have acted as a catalyst for Mr Cook's own plans. Despite being offered the Sheldonhurst moulds and chassis jigs, Mr Cook decided to have his own improved versions made up and to add a Jaguar based kit for which a new chassis had to be designed. By February 1986 the new business was up and running. I understand from the hearing that Mr Cook himself controlled the manufacturing side of the business in connection with which the mark VIPER was to be used. The retailing side which included kit cars other than those of his own manufacture was operated through a limited company called Brightwheel Ltd.

17. Mr Cook says that:

“4. It was quickly apparent that we were going to need an input of venture Capital and to this end I started looking around for same. From my past business experience I knew that anyone prepared to input capital was going to want control of the company and this would include intellectual property control. This I was not willing to allow as I knew that investors have a habit of getting rid of the original owners etc. As the name Viper belonged to myself anyway as it was I who had thought of it before the formation of the company and the chassis jig costs had been borne by myself and not Brightwheel Ltd as far as I was concerned I owned the design rights. However, I knew that to newcomer investors it would appear that Brightwheel owned these rights. To circumvent this happening I and my son had a meeting to decide that we would draw up a document to show that the company was not the owner as it had passed onto myself the rights. I now produce KC1/1 a statement from my son Christopher Cook outlining his involvement with Brightwheel and KC2 the document drawn up by us on 8 July 1986 regarding these intellectual rights.”

18. By the end of 1986 Mr Cook was approached by a venture capital company called Atlantic Capital Ltd (Atlantic), the trading arm of a Lichtenstein company called Zinlic Anstalt which was owned by two Americans. Atlantic agreed to invest funds. A new company called Brightwheel Replicas Ltd (BRL hereafter) was formed in January 1987 for trading purposes. Mr Cook was Managing Director and managed the day to day running of the business. Financial matters were handled by Atlantic's American owners. In support of this Mr Cook exhibits a letter of intent (KC5) and a mortgage debenture on BRL's assets in favour of Zinlic Anstalt (KC6). I note that Atlantic is said to have acquired 100% of all outstanding shares of BRL. Mr Cook observes that the letter of intent identifies the assets that BRL is “offering up” but makes no mention of intellectual property rights (consistent, he says, with the steps he had taken to

retain such rights). Thereafter it is said that BRL traded successfully throughout 1987 and 1988 and for part at least of 1989.

19. During this period, in late 1987 to be precise, Mr Cook was approached by Mr Busbridge and his brother who wanted to be agents for London and the South East. They were duly taken on to offer kits, parts and/or fully built cars.

20. In late 1987 a large order was obtained from a Japanese company which Mr Cook's American backers were unable to fund. As a result only 15 of the cars were made and the remainder of the order lost. By August 1989 funding issues came to a head. Mr Cook asked his backers for £30,000 and resigned from BRL when the funding did not materialise.

21. Mr Cook says that, as he owned the copyright to the chassis and the VIPER trade mark, the American backers had no option but to close BRL down (a winding up order was eventually made on 10 April 1991 – see RB 4a). The chassis jigs and body moulds which had been paid for by BRL were sold off. Mr Cook himself purchased certain of the assets with the remainder being sold to a Swiss kitcar company. Exhibits KC11 to 14 document this disposal of assets. Interpretation of the documents is not easy and is not assisted by manual overwrites.

Late 1989 to April 1991

22. Following the demise of BRL as a trading company Mr Cook says that he carried on the business of making kits and fully built cars operating now as a sole trader under the name Classic Replicas. He concedes that at this point he faced problems with irate ex-BRL customers who had lost deposits and that he did not wish to “face the public”. He says that “the solution for me was to give them [the Busbridges] the agency for my business and let them do all the sales for the whole of the UK”. The existence of any agency agreement between Mr Cook/Classic Replicas and the Busbridges is disputed by Mr Busbridge. His view is that there was an agency agreement with BRL but that this did not mean there was any similar agreement with Classic Replicas or Mr Cook. The agency agreement referred to above (RB7) which purports to show the contrary is contested and said to be a forged document.

23. Nevertheless, it is not disputed that there continued to be business dealings between Mr Cook and Mr Busbridge subsequent to BRL's demise.

24. Mr Cook makes the following main claims in relation to activity during the period 1990 to mid 1991:

- (i) BRL still had four VIPERS to make from the Japanese order. The British agent (Mr Donald Salvage of Wheels Abroad Ltd) who had placed the order asked if Mr Cook would still make these cars. In view of the timescale for production he undertook to make two but passed the other two to the Busbridges;
- (ii) further money was expended on having another chassis jig made in order to make a Jaguar based chassis. Also some 5000 colour brochures were ordered. The

invoice from the printers (dated 4 June 1990) is addressed to BRL but has a handwritten annotation saying “Mistake – should have been Classic Replicas”;

- (iii) in around 1990 a scheme was set up with the Busbridges for the supply of Cobra parts. The VIPER mark is not mentioned. Exhibit KC18 is a statement (of 6 January 1994) from a supplier of goods to Mr Cook who confirms that he has made various bars and exhaust systems for the VIPER Cobra replica from 1986 to date. However this document is of limited value being in the form of an open letter rather than formal evidence;
- (iv) in early 1991 Mr Cook says he was approached by a Mr Bechtolsheimer to build a VIPER. As he was busy with a German order he says he put the Bechtolsheimer order through to the Busbridges. Mr Busbridge puts the matter somewhat differently and says that Mr Bechtolsheimer visited him and that the order was placed with Cobretti rather than Mr Cook. A witness statement from Mr Bechtolsheimer is exhibited at KC20 – I reproduce it as an Annex A to this decision to illustrate the somewhat conflicting messages it contains and the difficulty of placing reliance on documents containing overwritten (and un-initialled) material;
- (v) in mid 1990 Mr Cook ‘donated’ a Cortina based VIPER demonstrator to the Busbridges to help boost kit sales of this VIPER variant. He supplied the parts for the Busbridges to build the car. In order to help finish the building process in time for a kit car show the Busbridges invited Mr Cook to stay with them in London. Disagreement at this time over the way the Busbridges were running their business (or interference on Mr Cook’s part as seen by the Busbridges) appears to have been the start of the breakdown of their business relationship;
- (vi) Exhibited at KC26/1 to 17 are written orders for kits and parts coming from Cobretti Engineering dating from January 1991 (prior to this orders had been verbal). Exhibited at KC27/1 to 49 are copies of invoices for the kits and parts supplied. Also exhibited are a copy of a letter enclosing a bank draft for a V8 Chassis (I infer that this is a Viper part as the Cobretti letter is headed “Suppliers of VIPER V4, V8, V12” (KC28) and a similar letter dated 16 May 1991 in respect of a V8 body.

25. Mr Cook says of this period:

“20. During the years 1990 and up to mid 1991 when I left to go to Switzerland to build a car there, all the advertising that was being done by Cobretti Engineering, was under my control and vetting. I introduce exhibit KC25 which is a typical advert and from this it can be seen that it clearly states “under new management”. You may note that it does not say “under new ownership” which is what you would expect it to say if I had abandoned the Mark and Cobretti had somehow taken it over as they would have all and sundry believe. Due to the problems I had had from BRL’s creditors I obviously needed to distance myself from the day to day running of the sale of Vipers. This is why I

decided to state that the sales side of the kits was under new management ie. by Cobretti. This is not abandoning the Mark and it was still under my complete control.”

26. Mr Busbridge’s view of the matter is that “..... no advertising of Cobretti was ever under Cooks control we were operating as a completely independent company and had done so since BRL collapsed in 1989. These adverts were placed and paid for by Cobretti under our control. In hindsight the heading of the adverts could have been worded differently we were still not fully aware of the BRL situation and were unsure how to head the adverts”. He goes on to say in relation to the kits/parts ordering scheme:

“21/ I do not dispute that Cobretti did business with Cook until early 1991 and a parts scheme was set up, Exhibit KC 27 these orders were the results of this arrangement but I do not see how this gives him any rights in the trade mark or constitutes an agency agreement with him, Secondly not one of these orders refers to the Viper mark we were purchasing Cobra bodies, chassis’s, and parts from Cook the chassis is the main platform to make a car from and this is not a Viper, as far as I am concerned a Viper is the finished product and not the parts that make it. Ford who own Jaguar produces a universal platform to either make a Ford or a Jaguar the platform is not a Ford or a Jaguar it is a component. The body is a copy of the A C Cobra there are many companies replicating this shape and I do not think has any relevance.”

27. In terms of the size of the trade, Mr Cook suggests that, contrary to BRL’s performance in selling 100 kits in the first nine months of 1989 (wrongly recorded as 1998), Cobretti only managed to sell 12 kits in the period January 1990 to May 1991. I do not understand Mr Busbridge to dispute that figure.

Mid 1991 to 18 May 1992

28. Mr Cook says:

“Due to the recession that was biting then in the UK, I had run out of orders for fully built cars and I still did not feel ready to go back to selling kits myself, when an order came in from my Swiss agent to build a car in Switzerland, I obviously took it. I thought that at least I may be able to trust the Busbridges to carry on selling my Vipers. I took steps to set up a system whereby they would order the kits. I sent them and my suppliers letters setting up the system for ordering. I introduce exhibits KC32, KC33, KC34, KC35, which all show this pattern of my setting up the ordering rules and thus protecting my Mark.”

29. He is of the view that the kits being sold by Cobretti at this time were his own – in particular he identifies the option of different width wheel arches in a letter from Cobretti to a potential customer (KC33) as evidence that they were continuing to offer his kits. In point of fact I am not clear from the following response from Mr Busbridge that he denies that this is the case or that there was an element of copying:

“23/ The nature of our business is to replicate/copy the A.C. Cobra and there are many companies doing this, there is no exact defined shape and even the originals differ besides the BRL Viper kit was a descendent of the Cheetah Viper and Sheldenhurst so why should we not be allowed to replicate it nobody else was producing the Viper in the UK at this time. A company called D.M.S were offering ex BRL customers body kits and then went on to produce a Cobra Replica known as the D.M.S Venom based on the same body shape as the Brightwheel Replicas Viper, I now produce and show Exhibit RB 15 article in a kit magazine in January 1990 to this effect and an advert from D.M.S for the Venom, we had taken on board a lot of ex BRL customers who needed help to finish there cars some needing bodies plus other parts and as Cook was hiding in Switzerland we decided to produce new jigs and moulds and as far as Cobretti were concerned BRL had effectively abandoned the Trade mark Viper in 1989, Cook could not and was not using it in the UK if he did he knew that his creditors would be able to find him so he attempted to hide behind Cobretti and say to all that we were his agents which was untrue, under these circumstance we did not think that we were doing any thing wrong in continuing to produce the Viper as the Cobretti Viper.”

30. It subsequently transpires that Mr Busbridge did have a chassis made by Mr Mick Frost who was Mr Cook’s chassis maker though, he says, to “our own (ie. Cobretti’s) design”. The parties engage in a somewhat inconclusive debate as to ownership of the copyright. As a copyright action between the current parties was ultimately withdrawn (paragraph 25 of Mr Cook’s first witness statement) the issue is unresolved, so it is scarcely possible to draw conclusions that would be favourable or adverse to either side.

31. Evidence as to trading activity in this period under the mark VIPER is thin and Mr Cook says that there was no UK marketing between mid 1991 and end of 1992 (paragraph 29 of his first witness statement), indeed, the only solid piece of evidence is a sales invoice from a printing company in respect of an order placed by Classic Replicas in early 1992 for 2500 leaflets depicting VIPER cars. It is not clear how or whether the leaflets were distributed or what (if any) sales resulted. Mr Cook appears to have moved to Germany by this time and did not return to the UK until 1992 when he set about rescuing his business as he puts it. Events subsequent to this are of tangential interest and relevance as they are after the filing date of Cobretti’s application. I do not therefore propose to record events after this time other than to say that the business relationship between the Busbridges and Mr Cook had deteriorated to the point that a letter was sent by Mr Cook’s Patent Agent on 3 July 1992 threatening legal action.

Cross-examination

32. The parties cross-examined one another at the hearing. The cross-examination was conducted in a combative spirit. Questions were answered in a calculating manner in the sense that both parties had well rehearsed positions and were reluctant to say anything that might not be supportive of those positions. The result was that, although the cross-examination clarified a number of underlying factual circumstances it did little to resolve the position in key areas where the reliability of documents is in question. As I have already said the events that underpin this case happened a long time ago and both sides in their evidence have endeavoured to

retrospectively construct explanations and justifications for their actions which would support their current claims. That state of affairs continued in cross-examination.

The law in relation to proprietorship issues

33. I will need to deal with certain aspects of the evidence in rather more detail in what follows. It is, however, clear that proprietorship issues are at the heart of this dispute. It will be convenient, therefore, at this point to set out the relevant part of the statute and the leading authority on proprietorship issues.

34. Section 17(1) of the Trade Marks Act 1938 (As amended) deals with the process of applying for registration of a trade mark as follows:

“17.-(1) Any person claiming to be the proprietor of a trade mark used or proposed to be used by him who is desirous of registering it must apply in writing to the Registrar in the prescribed manner for registration either in Part A or in Part B of the register.”

35. Prior to the hearing the parties were notified that I anticipated I would need to decide the matter within the context of the guidance given in *Al Bassam Trade Mark* [1995] RPC 511. The relevant passages from that case read as follows:

“Accordingly it is necessary to start with the common law principles applicable to questions of the ownership of unregistered marks. These are not in doubt and may be shortly stated. First the owner of a mark which had been used in conjunction with goods was he who first used it. Thus in *Nicholson & Sons Ltd’s Application* (1931) 48 RPC 227 at page 253 Lawrence LJ said:

“The cases to which I have referred (and there are others to the like effect) show that it was firmly established at the time when the Act of 1875 was passed that a trader acquired a right of property in a distinctive mark merely by using it upon or in connection with his goods irrespective of the length of such user and of the extent of his trade and that such right of property would be protected by an injunction restraining any other person from using the mark.”

Second the right to the used mark as an indication of the origin of the goods could not be assigned separately from the goodwill of the business in which it had been used for that would have been to assign the right to commit a fraud on the public. cf. *Pinto v. Badman* (1891) 8 RPC 181, 194. Third, in the case of an unused mark the person with the best right to use it was the designer or inventor. cf. *Hudson’s Trade Marks* (1886) 3 RPC 155 at pages 160 and 163.”

and

“In my view it is plain that the proprietor is he who satisfies the principles of the common law to which I have referred. Accordingly in the case of a used mark as in this case the owner or proprietor is he who first used it in relation to goods for the purpose

indicated in the definition of trade mark contained in section 68 which I have already quoted. Ownership of the mark is a different concept to deceptiveness of the mark, the principles applicable to the two concepts are different and I do not see how one can determine whether there is likely to be confusion without first deciding who is the proprietor. I reject the submission that the opening words of section 17(2) refer only to sections 9 to 16. They must also refer to section 3 and if they comprehend a section in that part of the Act I see no reason to exclude section 1(1). Moreover, section 17(2) deals with acceptance of the application; the hearing and decision on whether to permit registration referred to in section 18(5) is a later stage following advertisement. Accordingly I reject the submission for Courtaulds that the proprietor of the mark is he whose use of it will not cause deception or confusion etc. In my view proprietorship may raise different issues to that of deception within section 11, though, no doubt, it is true that they will often overlap.”

36. I mention this latter paragraph because it points up the fact that Section 17(1) and Section 11 (also a ground of opposition in this case) raise different issues but may overlap. This is a case where they do overlap. A finding that Mr Cook is the rightful proprietor of the mark would mean that there will also be deception if Mr Busbridge’s application for an identical mark (and in respect of identical goods) is allowed to proceed to registration and use.

Ownership of the mark prior to the formation of BRL

37. Mr Cook’s position is put in two ways in the evidence but was adjusted as a result of cross-examination. His primary claim as I understand it is that he coined the mark and used it in his own business. The other basis on which he claims ownership is that Brightwheel Ltd passed the rights onto him by means of the document at KC2. The document in question is a statement headed “To whom it may concern” on Brightwheel Ltd notepaper and signed by Mr Cook and his son verifying that the Board of Directors had agreed to pass various rights, including the VIPER name, to Mr Cook. Mr Cook now says that this document is neither fish nor foul. It is not an assignment and it is not a licence. It certainly makes no reference to a consideration or to fulfilling stamp duty requirements and makes no reference to licensing arrangements.

38. The document was, I think, misconceived. The intention behind it was clear. Mr Cook has made no secret of the fact that his objective in drawing up the document was to clarify that he and not Brightwheel Ltd owned the mark and so prevent outside investors gaining the benefit of certain intellectual property rights as part of a process of capital injection. However, the document appears to have no legal or other significance and achieves nothing other than to muddy the waters. If it was intended as a formal corporate statement about ownership of the mark then it obscured rather than clarified matters. With the benefit of hindsight Mr Cook now accepts that his objective could have been more properly achieved by other means.

39. I, therefore, start from the position that VIPER was a mark coined by Mr Cook and used in connection with the business of manufacturing kit cars and that this was separate from the Brightwheel Ltd retail business. Strictly the distinction between Mr Cook’s trade in a personal capacity as a manufacturer of kit cars and the retail trade said to have been conducted by Brightwheel Ltd is not one that clearly emerges from the written evidence. However, that was

Mr Cook's position under cross-examination and no alternative claim or position has been put forward in relation to the pre-BRL period. Mr Busbridge conceded during cross-examination that he was not privy to Mr Cook's business dealings at this time and therefore has no basis for challenging Mr Cook's version of events. Up to this point therefore the goodwill of the business conducted under the mark VIPER, albeit that it was modest in scale, belonged to Mr Cook.

Ownership of goodwill arising from the BRL business

40. Mr Busbridge's belief as to the ownership of the mark Viper is in large measure based on his perception of the position rather than knowledge of events. He repeatedly expresses the view in his evidence that BRL abandoned the mark and that Mr Cook did not have any rights in it. He accepted under cross-examination that he did not meet Mr Cook until 1987 and was not privy to the business arrangements between Mr Cook and Brightwheel Limited and, later, BRL. He could not, therefore, confidently speak about ownership of the VIPER mark. Nevertheless he asserts in his witness statement that:

“8/ All property, Assets, and Rights, of BRL were held by Atlantic Capital Limited or Zinlic the Debenture Company as per Cooks Exhibit KC6 mortgage debenture

9/ Mr Cook refers to his Trade Mark Viper and may have considered a continuation of Brightwheel Ltd but Brightwheel Replicas Ltd was a newly formed company with a debenture holding who had complete fiscal control and 2 new directors any rights were now vested in BRL the new Cortina Viper 4 was developed, marketed and paid for by BRL. As Cook says he had sold all his interest to the backers in March 1987 as per our later Exhibit RB 9”.

41. The mortgage debenture document referred to above confirms that there are restrictions on the company disposing of certain assets, mainly freehold and leasehold property but also including a floating security charge over “its other property assets and rights”. “Its” refers to the company (BRL) and property owned by it. The letter of intent (KC5) signed by Atlantic Capital and Mr Cook lists various assets of BRL but makes no specific mention of the mark VIPER. Mr Cook claims in paragraph 28 of his second witness statement that the mark was only licensed to BRL Ltd and was not an asset of that company.

42. It is well established that there is no right of property in an unregistered trade mark or name. The mark or name is inextricably bound up with, and is the outward sign of, the underlying business. Save in certain exceptional circumstances (of which Section 22(3) of the Trade Marks Act 1938 is one) the mark or name cannot be retained or assigned separately for the goodwill of the business in which it is used. So far as licensing is concerned I note the following on *The Law of Passing – Off* by Christopher Wadlow (Third Edition):

“The owner of the goodwill in a business may prima facie license another business to do any act which but for the licence would amount to passing off. To this extent it is permissible to speak of licensing goodwill, although what is licensed is not properly the goodwill as such but the right to do something which would otherwise infringe the licensor's rights in it.” (paragraph 3-169)

43. It seems, therefore, that strictly speaking what is licensed is not the goodwill as such but the right to do something that, but for the license, would amount to passing off. A license may be express or implied. But I have not been pointed to any written licensing document or any express agreement verbal or otherwise between Mr Cook and Atlantic bearing on use of the mark by BRL and acknowledging to whom the benefit of such use would accrue. Perhaps it was not thought necessary given Mr Cook's continued close involvement with, and responsibility for, the day to day running of BRL. One view of the matter is that any implied licence was no more than a tacit acknowledgement that BRL's use of the mark VIPER would have been actionable at Mr Cook's instigation on the basis of his ownership of goodwill arising from his previous business under the mark VIPER, were it not for his waiver of his right to take such action. If that was the extent of any implied license then it seems likely that, once BRL had established its trading activities, that company would have generated its own goodwill.

44. Indeed, having effectively waived his right to take passing off action against BRL, it would arguably have been a breach of his fiduciary duty as a Director and employee of the company, to subsequently withdraw the waiver of his right. At the very least there would have been a conflict of interest between Mr Cook's duty to the company and the fact that the benefit of the goodwill arising from BRL's trading activities was accruing to him as licensor. I note too that paragraph 5 of the letter of intent between Atlantic, BRL and Mr Cook records that "Brightwheel has made full disclosure of all items of consequence concerning its business to Atlantic Capital Ltd and acknowledges that Atlantic and its assigns are relying on this information to enter into the business agreements and loaning funds to Brightwheel". If, as Mr Cook would presumably say, he and not BRL owned the mark and he was to be the beneficiary of the goodwill arising from BRL's trading activities, then it seems to me that that was an "item of consequence" that could reasonably have been expected to be disclosed in the letter of intent between the parties.

45. The alternative view of this matter is that the implied licence operated throughout the BRL period and that it consisted of more than simply a waiver of Mr Cook's right to take action against BRL but resulted in goodwill accruing to his benefit. The difference between these two positions is not insignificant. If the former is the case then BRL would have been likely to generate its own separate goodwill prior to its demise. If the latter view was to prevail then the position would presumably be that the goodwill would accrue to the licensor and he would also be free to use the mark again on the termination of the licence.

46. I am prepared to accept that Mr Cook was the public face of BRL but the business was conducted in BRL's name and, I assume, that company would have been held responsible for the quality of the goods sold under the mark. Without more concrete information on the arrangements between Mr Cook and Atlantic over use of the mark by BRL I do not think it is safe to infer that any implied licence from Mr Cook was more than a waiver of the right he would otherwise have had to take action against BRL.

47. In Wadlow's (see above) it is said at 3-176 :

"It may happen that what appears to the public to be one of continuous business has in fact been carried on by two or more unconnected persons in succession.

This may happen by agreement, by coincidence, or as a result of passing-off going unrestrained. If the succession is by consent, then it may be reasonable to infer an assignment of goodwill in the old business. If not, then although there appears to be no express authority, there is no reason to believe that any surviving goodwill of the old business accrues to the new one. The new business may generate goodwill of its own, but the goodwill of the old business is simply extinguished.”

The case of *Peter Byford v Graham Oliver and Steven Dawson* [2003] FSR 39 dealt with the position when successor businesses (in this case it involved the music group SAXON) came into being. Laddie J described the position as follows:

“ It is convenient to start by considering the position when two entirely unrelated bands perform under the same name. The first performs from, say, 1990 to 1995 and the second performs from 2000 onwards. Each will generate its own goodwill under the name which it performs. If, at the time that the second band starts to perform, the reputation and goodwill of the first band still exists and has not evaporated with the passage of time (see *Ad-Lib Club v Granville* [1972] RPC 673) or been abandoned (see *Star Industrial Co v Yap Kwee Kor* [1976] FSR 256) it is likely to be able to sue in passing off to prevent the second group from performing under the same name (see *Sutherland v V2 Music* [2002] EWHC 14 (Ch), [2002] EMLR 28). On the other hand, if the goodwill has disappeared or been abandoned or if the first band acquiesces in the second band’s activities, the latter band will be able to continue to perform without interference. Furthermore, whatever the relationship between the first and second bands, the latter will acquire separate rights in the goodwill it generates which can be used against third parties (see *Dent v Turpin* and *Parker and Son (Reading) Ltd v Parker* [1965] RPC 323). If the first band is a partnership, the goodwill and rights in the name are owned in the partnership, not the individual members, and if the second band were to be sued, such proceedings would have to be brought by or on behalf of the partnership.”

48. Applying these general principles to the circumstances to BRL as a successor business it seems to me that either, as I have suggested above, Mr Cook must be taken to have consented to BRL using the mark VIPER (and an assignment of the goodwill from his previous business is to be inferred - per Wadlow’s at 3-176) or that he waived his right to take action against BRL and that company then generated its own goodwill. Either way it suggests that the goodwill in the business conducted under the mark VIPER rested with BRL at this point.

49. It was also during this time that an application was filed to register the mark VIPER in BRL’s name. The filing date of 8th May 1989 was some four months prior to BRL ceasing to trade. Exhibit RB4 contains computer print-outs from what appear to be two search systems which variously refer to the application as being withdrawn or abandoned. Registry records show that progress stopped on the application on 10 June 1991 and the case was archived in November 1996.

50. Mr Cook deals with the point as follows in his reply evidence:

“.....As I have said already, during 1989 we were having a good year and I had been promised by the Americans that they would find the required working capital needed to deal with the expanding business. I trusted them and thought that at this stage it was time that I made sure my trade mark was covered by a registration, and at this stage I was happy to allow BRL to apply for registration and I would have at the appropriate time have made out either an assignment or a licence to BRL for the use of my trade mark. However, before this could be done, things changed very quickly and it became apparent that all was going to fail. The cost of applying was to be borne by BRL and as the money owed to Gee and Co [trade mark attorneys] was one of the debts of BRL I was not personally liable for this. So Gee allowed the application to lapse as they had not been paid. As I had never made out an assignment or licence, I still owned the Mark and therefore carried on using it when I continued in business after BRL ceased.”

51. There is some dispute as to whether the application was withdrawn, abandoned or simply allowed to lapse through want of prosecution. I do not find Mr Cook’s explanation of this episode wholly convincing. Allowing the application to be filed in the company name when he himself claimed to own the mark at the time seems to me to have been an ill-conceived strategy to say the least. It should be no surprise that it has clouded the ownership issue and is now being used in support of the claim that the real owner was BRL.

52. As with a number of actions that underpin this case it is not always possible to establish a rational explanation for what has taken place. Under cross-examination Mr Cook suggested that the application was filed by trade mark attorneys without him knowing how they filled in the form. If attorneys are not properly instructed that would not be altogether surprising.

53. What is rather more surprising is that as early as 8 July 1986 Mr Cook had shown that he was keenly aware of the need to have certain IP rights including the name VIPER in his own ownership to prevent them being acquired by incoming investors as part of any capital injection process (paragraph 4 of Mr Cook’s witness statement and exhibit KC2). It might, therefore, have been expected that he would have been at pains to ensure that the trade mark application would be in his own name rather than BRL’s. Attributing the matter to a failure to check in whose name the attorneys had filed the application is unconvincing.

The position after BRL’s demise

54. That brings me to the critical period following BRL’s demise, an event which the evidence suggests was well publicised in the trade press and likely to be known to a large number of people in what is, after all, a very specialised niche market. To whom did the benefit of any goodwill accrue after this date?

55. The agency agreement (RB7) dated 20 October 1989, if it could be relied on, might have been expected to be a pivotal document in determining the matter. In it Mr Cook grants Cobretti Engineering the right “to continue to act as agents for the London area for the Viper range of

Cobra Replicas, now manufactured solely by him ...". The document further provides that "Ken Cook allows the name 'VIPER' to be used in all advertising but it is understood that this name belongs to Mr Cook and all efforts will be made to safeguard the name". There are other statements controlling the relationship between, and responsibilities of, the parties to the agreement. Mr Busbridge alleges that the signatures of himself and his brother at the foot of the document are forgeries having been taken from a later agreement letter between the parties (relating to a Cortina demonstrator) dated 30 November 1990 (Exhibit 7A).

56. Cross-examination did not ultimately take the matter further forward with both sides adhering to their stated positions. In Mr Cook's case, his position is that he was tried for perjury and forgery and found not guilty. It seems to me that that is not in itself enough to render the disputed document a credible and reliable one. Mr Cook's reply evidence contains a partial transcript of the proceedings at his trial at Dorchester Crown Court but not the part dealing with this document. I do not, therefore, have the benefit of knowing what was said in cross-examination or by way of submissions in relation thereto in that case.

57. The transcript of the cross-examination before me shows that on five occasions Mr Cook was invited to say whether the disputed document was a "true agreement". On each occasion Mr Cook either equivocated or said he could not answer the question. His final answer was "I am saying that it is a document that I sent you to sign. If you want to put the word "true" to that, that is up to you. What I got back from you, Heaven only knows. This is the copy I got back from you".

58. For my part, I will simply say that to my eyes the signatures on the two documents at Exhibit RB7 and 7A appear to be the same including the positioning of those signatures under the printed names above them. I find it scarcely credible that one of the documents was not used to replicate the signatures on the other. I cannot, of course, say how this state of affairs came about or who was responsible for it. I am, however, deeply mistrustful of the agency agreement document to the point where I feel I can place no reliance on it in these civil proceedings (where matters are assessed on the basis of the balance of probabilities). It is also more than a little curious that Mr Cook, who might have been expected to invoke the agency agreement in his cause, elected not to do so. That was left to Mr Busbridge. Mr Cook's response in his reply evidence was simply to say that "I deliberately did not show copy of his exhibit RB7 because I knew he would bring this up and I wanted to see what he said" and to refer to the fact that he was acquitted at the Crown Court proceedings.

59. If the agency agreement is not to be relied on I must look to the other evidence to determine what the position was after September 1989. Mr Busbridge's own claim to ownership presents a confusing picture.

60. It was clear from his response to questions at the hearing and his evidence, which (wrongly) appears to claim sales from the time when Cobretti were simply agents for BRL, that Mr Busbridge is uncertain as to the date from which he feels he can legitimately claim ownership.

61. There is also inconsistency in the explanations as to how a lawful claim to ownership could be said to arise. Having regard to Mr Busbridge's own evidence and material filed by Mr Cook in Exhibits KC46 to 52 the claim is variously said to come about:

- by accepting "the rights to the Brightwheel design and the name Viper in lieu of the money they (Cobretti) were owed" (KC52 being an extract from a book on Cobra replicas). Mr Busbridge accepts that this comment is correct in paragraph 28 of his witness statement;
- by sale of the "Viper 4 rights an [sic] jigs" from Kunzli to Cobretti (KC49). This version was given by Mr Busbridge in his evidence in the Chrysler case (RB30/COB1);
- through abandonment of the mark VIPER by BRL and Cobretti taking it over and trading under the mark (Busbridge paragraph 28 and KC46, 47 and 50);
- by what he regards as a moral right arising from the assistance given to ex BRL customers (paragraph 28 of Mr Busbridge's witness statement).

62. The net effect of these conflicting claims is to suggest that there was uncertainty in Mr Busbridge's own mind as to the proper basis for his claim to ownership of the mark. Nevertheless, Mr Busbridge is a businessman and not an IP lawyer. It is necessary, therefore to look beneath the surface of the claims.

63. The claim that rights to the VIPER name were acquired "in lieu of monies owed" seems to me to be untenable in the absence of any further explanation or documentation to back it up.

64. I am also unable to place reliance on the claim to have been sold the rights by Kunzli. This document has been disowned as a forgery by the purported writer. Both sides seek to turn it to their advantage to show each other in a poor light. Despite having relied on it as the basis for his claim to ownership in the Chrysler opposition case Mr Busbridge now associates it with a letter from Mr Cook dated shortly afterwards (21 May 1990) which, it is said, is part of a scam by Mr Cook to remove the mark from BRL and to continue trading whilst distancing himself from ownership/responsibility. This letter in turn is said by Mr Cook to be a forgery. I can place no reliance on these documents.

65. Mr Busbridge's primary claim, it seems to me, is that he was taking up the reins of BRL's abandoned business.

66. The first point to note is that the business conducted between Mr Cook/Classic Replicas and Mr Busbridge after September 1989 was in essence the same as that conducted between BRL and Cobretti when, as Mr Busbridge acknowledges, Cobretti were agents for the VIPER kits and parts. However, there is no reliable documentary evidence between the parties formally asserting, clarifying, or acknowledging the basis for their business dealings immediately after September 1989.

67. Mr Busbridge accepts that no approach was made to the BRL receiver with a view to clarifying whether that company owned the mark and, if so, whether it was available for purchase or where ownership of goodwill lay. Equally there is no evidence that the BRL receiver ever sought to assert passing-off rights against the subsequent trade conducted under the mark VIPER. It is, therefore, necessary to look at what happened in trade after September 1989.

68. Events after this date also need to be placed in the context of the parties' individual circumstances. Mr Cook was intimately associated with BRL. He was Managing Director of the business and would have been the public face of the business. In financial matters his hands were tied by the presence of his American backers and the control they exercised over injections of funding. There may have been some in the kitcar trade who would have known about BRL's financial backing. That much emerges from press coverage after BRL's demise. But it is much less certain that individual enthusiasts, purchasers or prospective purchasers would have known about BRL's corporate funding arrangements. They might have cared even less. On the other hand it is very much more likely that the trade and relevant public would have been aware that Mr Cook was the front man for that business.

69. It is scarcely surprising, therefore, that disgruntled customers and trade creditors etc. would have regarded Mr Cook as being deeply implicated in BRL's demise and looked to him for redress. Mr Cook was equally at pains to distance himself from BRL's problems by pointing out that he was not responsible for BRL's debts. The following is an extract from a letter from Mr Cook faxed to Kitcar International magazine in October 1989 and exhibited as RB9 to Mr Busbridge's evidence:

"I am afraid that those who have deposits with BRL will lose those deposits as there are no assets now that they have been disposed of by the debenture holders. This debenture was a legally registered debenture.

Those of you who are under the illusion that I owned BRL should know that I sold my interest in BRL to the backers in March 1987 and since then have worked as any other employee on a wage which was lower than many of the other employees. You should also know that my original investment into Brightwheel Ltd and then BRL pre March 87, of £30,000 has been lost.

If you feel you wish to take action against BRL I would advise you to see a solicitor. However, BRL as I have said has no assets and I am not legally liable for BRL's debts."

70. Mr Cook does not resile from this letter. He stands by the contents and says it shows his concern for the customers of BRL.

71. The fact that such a public pronouncement was necessary is a clear recognition of how he considered the relevant public and the trade would perceive his continued association with the VIPER name and business. It explains why Mr Cook was keen to distance himself from "the day to day running of the sale of Vipers". According to Mr Cook he had received death threats and threats of violence from irate customers who had lost their deposits.

72. Nevertheless, Mr Cook acquired certain assets from BRL which gave him the means to continue in the same line of business. KC11 is a letter to Mr Kunzli (the Swiss agent) listing the assets of BRL and what happened to them. It is an unsatisfactory document in many ways being annotated in manuscript and separated from KC12 and 13 which were said at the hearing to be all part of the same asset purchase/distribution process. Taking the documents at face value, Mr Cook purchased a CR6 and Cortina Cobra chassis jig, some body moulds and a few smaller items. H & S Replika Cars of Switzerland purchased Granada and Jaguar chassis jigs for a Cobra. Mr Cook, separately, had another chassis jig made up so as to be able to produce cars with a Jaguar based chassis.

73. The parties' evidence showing how the mark VIPER was used and related dealings between the parties from this point on requires detailed consideration. I have attached at Annexes B and C a more detailed commentary on what seem to me to be the key exhibits.

74. Two of the exhibits referred to purport to show the volumes of trade and advertising expenditure incurred by the parties. These can be found in Exhibit RB30/COB1 being a copy of Mr Busbridge's evidence in the action between Chrysler Corp. and Mr Cook and Exhibit RB23 being a copy of Mr Cook's statutory declaration filed in support of his own application to register the mark VIPER under No. 2070139 (required in support of a claim to honest concurrent use).

75. Extracting relevant and reliable information from the material that emanates from this period is made more difficult by the fact that Mr Cook had the capability to supply generic Cobra parts, that is to say parts that could be used on any of the many replicas of an AC Cobra, as distinct from purely VIPER parts. I understand that key exhibits such as the orders and invoices that passed between Cobretti and Mr Cook during 1990 and 1991 are for a mixture of the above categories of goods. Certainly references to VIPER are thin on the ground. There are, however, clear references in the invoices to commission payments due from Cobretti in relation to chassis, bodies and kits. The latter must have been VIPERs as they were the only kits supplied by Mr Cook (in their various chassis configurations).

76. It is fair to say that that the documentation that passed between the parties, most notably the orders and invoices at KC26 and 27 make few overt references to VIPER. So far as I can see only order No. 45 mentions 'VIPER4' and only sales invoice No. 26 mentions VIPER. However, it was probably not necessary for VIPER to be mentioned by name if both parties knew what they were referring to. I also understand from the hearing that certain parts are 'universal' in the sense that they would fit any of the many Cobra replicas that have been made over the years. Other parts and fittings such as carpeting, may be adapted to particular replica vehicles depending on the precise layout of the car.

77. I should also mention at this point a sub-argument that developed in the evidence and was continued in submissions at the hearing as to whether a distinction can be drawn between the cars themselves and the component parts thereof. Thus in paragraph 21 of his witness statement Mr Busbridge says:

“Secondly not one of these orders [KC27] refers to the Viper mark we were purchasing Cobra bodies, chassis’s, and parts from Cook the chassis is the main platform to make a car from and this is not a Viper, as far as I am concerned a Viper is the finished product and not the parts that make it. Ford who own Jaguar produces a universal platform to either make a Ford or a Jaguar the platform is not a Ford or a Jaguar it is a component. The body is a copy of the A C Cobra there are many companies replicating this shape and I do not think has any relevance.”

78. The point I understand Mr Busbridge to be making is that the arrangements the parties entered into between September 1989 and mid 1991 (when Mr Cook departed for Switzerland) in relation to the parts scheme was in relation to ‘Cobra generic’ parts; or, alternatively, to the extent that the parts were for VIPER Cobras rather than other brands of Cobras, it is the car that is the VIPER and not the parts (and it was Cobretti that was advertising and selling the cars).

79. I do not think that this line of argument is in itself of assistance to Mr Busbridge. There is, no doubt, a commercially significant distinction to be drawn between parts which would fit or be suitable for any make of Cobra and those which would be VIPER specific but it is clear from the orders and invoices that, if nothing else, there was a trade in kits and these would only have been VIPER kits. It seems to me that the answer as to who was making themselves responsible for goods put on the market under the mark VIPER, and hence who could claim ownership of the resulting goodwill, must be considered in the light of how matters were presented to the relevant public.

80. I have set out in my overview of the evidence what seem to me to be the main claims in relation to activity during this period. In focussing on how the trade in VIPERs was presented to the public I bear in mind that certain dealings should more properly be seen as the run-off of BRL’s business. The fulfilment of the Japanese order placed by Wheels Abroad Ltd is an example of this.

81. Mr Cook says that:

“ During the years 1990 and up to and including 1991 when I left to go to Switzerland to build a car there all the advertising that was being done by Cobretti Engineering, was under my control and vetting.”

82. As an example of this he produces KC25, an advertisement from a kit car magazine. The advertisement invites enquirers to contact Cobretti Engineering. Mr Cook draws attention to the fact that the advertisement refers to “These sensational sports cars are now back in production under new management”. He notes that it does not say ‘under new ownership’. The advertisement is typical of a larger number of advertisements placed by Cobretti and contained in Exhibit RB30/COB1 to Mr Busbridge’s evidence (and in fact this particular one is also reproduced in RB30/COB1). As will be apparent from my observations in Annex B on Mr Cook’s other exhibits from this time, some are either of little or no evidential value, fail to refer to VIPER, are outside the relevant period or are otherwise of little assistance. Within this body of material there is a witness statement from a Dr Bechtolsheimer (Annex A) which might be said to show a link between Mr Cook and VIPER. For the reasons given in Annex B this piece of

evidence is too deeply flawed to be accorded any weight. The manuscript overwrite to the final sentence suggests that Dr Bechtolsheimer was reporting what Mr Cook had told him to say.

83. I have referred in Annex B to the advertisements and write-ups that Mr Cook has filed in support of his case. However, so far as I can see there is no material showing use by Mr Cook or Classic Replicas during the period between BRL's demise and the material date in these proceedings. The advertisements and write-ups relate to the BRL period or to a later period between 1993 (at the earliest) and carrying through to 2001.

84. The only other document amongst those referred to in Annex B that calls for comment is Exhibit 17/2. This is an advertisement placed by Mr Cook for '427 PARTS', which I understand to mean Cobra generic parts. The advertisement is said to have run in the period August to December 1990. Consistent with Mr Cook's stated position of wanting to distance himself from any association with the BRL business there is no mention of VIPER. As the advertisement indicates it is offering 427 Parts "of any make", that is to say Cobra-generic parts.

85. Mr Busbridge's evidence, in particular RB30/COB1 contains advertisements, "advertorials", and other promotional matter relating to Cobretti's trade under the mark VIPER. Some of the documents clearly bear dates in the relevant period. Others have hand written annotations showing the dates and there are a few items that post date the filing date and must be discounted. A schedule listing the various documents, their sources, nature (e.g. advertisements or editorials), and claimed dates is appended to Mr Busbridge's covering declaration. Sufficient information is given for the claims to be verifiable if there were any doubts as to their accuracy. It has not been shown that any of the claimed dates are wrong. This effectively constitutes the largest body of material from either side showing how the VIPER mark was being presented to the public during the critical period after BRL ceased trading.

86. I asked Mr Cook at the hearing what evidence there was that this advertising was under his control and whether for instance there was an agreed schedule of advertising or whether it was left to Cobretti. He claimed that he (verbally) insisted on monthly advertising and that the wording 'Under new management' was at his behest. Mr Busbridge denies that the advertising was under Mr Cook's control. There is thus a conflict of evidence on this point.

87. The material shows advertising in Which Kit? and Which Kit Guide ? and a number of other magazines . The following is typical of how the position was presented in Which Kit Guide?:

“COMPANY PROFILE: Cobretti engineering, based in Morden, Surrey, and run by brothers Martin and Bob Busbridge, started life as agents for the now defunct Brightwheel Replicas. The company has now taken over the Brightwheel Cobra replica business and continues to prepare kits and cars to a high standard. The Jaguar based Brightwheel Vipers have thus been reborn with a choice of engines ranging from the Rover V8 and American V8s right up to the Jaguar V12.”

88. All the advertisements carry the Cobretti Engineering name and address. I find it scarcely credible that Mr Cook would have accepted Cobretti's claim to have "taken over the Brightwheel Cobra replica business" if he was genuinely controlling and vetting the advertisements. There

are other articles referring to VIPER such as the one in Car Builder of June 1991 which refer to it as a Cobretti product. It must, of course, be accepted that editorial comment and magazine articles are likely to have been written on the basis of information supplied by Cobretti. They are in that respect, as Mr Cook points out, partial accounts. Nevertheless, that is how VIPER was being presented in the trade press. Also included in RB30/COB1 are a substantial number of incoming enquiry letters for the period 1990/91 to Cobretti Engineering from potential purchasers. Not all the enquirers indicate how they came to know about Cobretti but I note that some refer to eg. an advertisement in 'Kit Cars International', a visit to a Cobretti representative at the Sandown Park Kit Car show, an advertisement in 'Your Classic' etc.

89. I conclude from the parties' evidence that:

- after BRL's demise Mr Cook continued to have the capability to produce both Cobra parts generally and VIPER parts and kits specifically (in the latter case by purchasing the necessary jigs and moulds etc);
- but he elected to distance himself from the BRL business and by implication the VIPER name so far as the public was concerned;
- his own advertisements for "427 Parts" made no mention of VIPER;
- all advertising of VIPER was by and in the name of Cobretti and made no mention of Mr Cook or Classic Replicas. Despite his claim to the contrary I am not persuaded that Mr Cook exercised any control over the content, timing or placing of these advertisements;
- more than that, Cobretti openly made the claim that it had taken over the BRL business;
- there is no evidence that Mr Cook took steps at this time to correct the very clear message that was being put out by Cobretti if he felt that it was a misrepresentation of the position.

90. I now turn to the consequences of this state of affairs in terms of the law. It is well established that goodwill does not exist apart from the business to which it is attached. Goodwill is also a question of fact. There is no presumption that goodwill will accrue to the manufacturer or suppliers of goods as distinct from an agent or distributor (see *MedGen Inc v Passion for Life Products* [2001] FSR 30). I note this following from a summary of the case:

" Goodwill did not exist apart from the business to which it was attached and, as such, was local in character. However, it was legally and factually possible for a business based overseas to acquire goodwill in this country by the supply of its products through an agent, licensee or distributor. Whether or not it did so would depend upon the facts of the case and, in particular, what was done and by whom, with whom the relevant members of the public associated the name and get-up, and whether they were concerned with the quality and price or the original source of the product. In the instant case, the goodwill in

the name ‘Snorenz’ and in the redesigned packaging belonged exclusively to P [the exclusive distributor] for the following reasons: (1) M [the US company] carried on no business in the United Kingdom; (2) the packaging in which the product was sold carried to reference to M nor any reference to the product having been developed by or produced for M; (3) in contrast, the whole business of the marketing and sale of the product was carried out by P and references on the label packaging and in advertisements were exclusively to P; (4) the wholesale or retail trade would only know P as the source of the product and in the event of any defect or problem they would have turned to P not M; (5) purchasers would only know P as the source of the product and their reasons for buying it would have been the advertisements or product references that were effected by P or their satisfaction with the product that carried P’s name. Accordingly, the claim would be dismissed.”

91. Applying these principles to the facts of the case before me suggests that Cobretti was entitled to claim the benefit of goodwill arising from the trade under the mark VIPER after BRL’s demise. The business of the marketing and sale of products was carried out by them. There is no evidence to suggest that at any point Mr Cook’s or Classic Replica’s name appeared in relation to the goods. The trade (and probably informed enthusiasts through the kit car magazines) understood that BRL was no longer in business and that Cobretti had picked up the reins of the defunct business in trading terms but not in the sense of being successors in title to that business. The evidence is that customers directed their enquiries to Cobretti and would only know Cobretti as the source of the products. To the extent that that was not the case it was only likely to have been so in the context of the run-off of the BRL business. In the event that there were any problems with products sold under the VIPER mark customers could have been expected to turn to Cobretti. This position pertained from the period following BRL’s demise and continued after Mr Cook went to Switzerland in mid 1991 and up until the filing date of the application. In relation to this latter period I have not lost sight of the correspondence at Exhibits KC 32 to 35 which, Mr Cook says, shows that he was protecting his mark when he went to Switzerland. However, whilst the correspondence shows that arrangements were being proposed for the continued supply of goods it does not in itself shed light on the issue of ownership of the mark.

92. I, therefore, take the view that as at 18 May 1992 Cobretti Engineering was entitled to claim to be the lawful proprietor of the mark VIPER.

93. In reaching the view I have on the ownership issue I have not attempted to comment on the vigorous debate that has been conducted in the evidence as to motives for wanting to own the mark. Both parties suggest that the other’s objective is to sell the mark to Chrysler. It is not necessary for me to reach a view on this and I decline to do so.

94. The opposition fails under Section 17(1) of the Trade Marks Act 1938 (As amended).

Section 11

95. This Section of the Act reads as follows:

“11. It shall not be lawful to register as a trade mark or part of a trade mark any matter the use of which would, by reason of its being likely to deceive or cause confusion or otherwise, be disentitled to protection in a court of justice, or would be contrary to law or morality, or any scandalous design.”

96. The established test is that set down in *Smith Hayden & Co Ltd's Application* (1946) 63 RPC 97 as adapted by Lord Upjohn in *BALI Trade Mark* [1969] RPC 472 at 496. Adapted to the matter in hand the test may be expressed as:

“Having regard to the user of the opponent’s mark VIPER is the tribunal satisfied that the mark applied for, VIPER, if used in a normal and fair manner in connection with any goods covered by the registration proposed will not be reasonably likely to cause deception and confusion amongst a substantial number of persons?”

97. In the light of my finding in relation to the ownership and use of the mark after BRL’s demise it must follow that the opposition will fail under this Section as well.

Section 12

98. Mr Cook is the proprietor of the mark VIPER registered under No. 2070139 for “motor vehicles and parts and fittings for motor vehicles; kits and components for assembly into motor vehicles”. He has, therefore, based this ground of opposition on Section 12(1) of the Act which reads:

“12.-(1) Subject to the provisions of subsection (2) of this section, no trade mark shall be registered in respect of any goods or description of goods that is identical with or nearly resembles a mark belonging to a different proprietor and already on the register in respect of:

- a. the same goods,
- b. the same description of goods, or
- c. services or a description of services which are associated with those goods or goods of that description.”

99. Mr Cook’s application was filed on 30 April 1996 and progressed to registration on the basis of an honest concurrent use claim. The issue that arises is, therefore, whether a later filed application which has itself achieved registration can be used as the basis for an attack under Section 12(1).

100. Prior to the hearing the parties were advised of the decision in *C(Device) Trade Mark* [1998] RPC 439 where a similar point of law arose. Headnote 3 conveniently summarises the outcome as being:

“(3) The material date on which the section 12(1) issue had to be decided was the applicants’ filing date. The cited registered mark had no retrospective status at that date. It was a long established practice in the Registry to regard the filing date as critical. The section 12(1) objection failed.”

101. The reasoning behind that finding can be found on pages 448 (starting at line 37) to page 453 (line 32) of the decision. I do not propose to repeat or summarise the discussion of the issues here. The opposition under Section 12(1) must fail.

The assignments of the applied for mark

102. The application that is the subject of this opposition was filed on 18 May 1992 in the name of Cobretti Engineering (a partnership). Two changes of ownership have been recorded since that time.

103. By Form TM16 filed on 13 March 2002 Autotrak Limited took assignment of the application from Cobretti Engineering. Although not filed until 13 March 2002 the actual transfer of ownership is said to have taken place on 22 October 1992. It is said that this assignment was not perfected until an addendum to the original document was made. Both documents are shown at Exhibit RB 31. The second document does not carry the date of its execution but was said at the hearing to have been entered into in 2002 (probably at the time the TM16 was filed).

104. By Form TM16 filed on 19 April 2002 Robert Dennis Busbridge took assignment of the application from Autotrak Limited. In this case the transfer of ownership is said to have taken place on 18 March 2002.

105. The Registry has recorded these assignments with the result that the application now stands in the name of Robert Dennis Busbridge.

106. Mr Cook has challenged the legality of these assignments as part of his grounds of opposition. Specifically, he says that Cobretti Engineering was declared bankrupt in May 1993. He suggests that the assignment was a way of taking the trade mark application away from Cobretti and that Mr Busbridge cannot, for convenience as he puts it, resurrect Cobretti for the purposes of effecting the assignments. The underlying claim has been expanded on both in evidence and submission at the hearing.

107. Mr Cook’s claim gives rise to a number of issues. The first is whether it is open to a party to raise a challenge to an assignment as a ground of opposition. Section 18 of the Act deals with opposition to registration. Section 18(1) places a requirement on the Registrar to advertise applications. Section 18(2) provides for opposition to be made:

“(2) Any person may, within the prescribed time from the date of the advertisement of an application, give notice to the Registrar of opposition to the registration.”

108. It would seem, therefore, that the provision is concerned with opposition to the registration of the application, in other words matters that, if decided in an opponent's favour, would act as a bar to registration. A wrongly filed assignment (assuming for present purposes that such was conceded to be the case) is, it seems to me, a matter affecting the ownership of a mark and not the registrability of an application.

109. I am not aware of any authority under the 1938 Act which bears on the point. A similar point did, however, arise in opposition proceedings under the 1994 Act in *FSS Trade Mark*, O-314-99, with the Hearing Officer holding that:

“Section 27(3)¹ of the Act states that an application to register particulars of a registrable transaction shall, where an application for registration is concerned, be considered as the giving of notice to the registrar of the particulars in question. The transaction cannot be recorded on the register until such time as the mark itself is placed upon the register. Consequently, this aspect of the opponent's case is really an attempt to oppose the recording of the registrable transaction upon registration rather than the application for registration itself. The Act and Rules make no provision for an opposition to the recordal of an assignment. If a party wishes to challenge such a transaction the proper mechanism would appear to me to be for them to file an application for rectification of the register under s64 of the Act.”

110. I accept that considerable care must be exercised in drawing analogies between the two Acts. However, I am of the view that it is not open to me to consider the validity of the assignments, which resulted in title devolving to Mr Busbridge, as part of this opposition. Such matters would formerly have been considered under the rectification provisions of Section 32 of the 1938 Act and are now covered by Section 64 of the 1994 Act.

111. There is, nevertheless, one aspect of what has happened that gives me cause for concern. That is whether the Registry was correct to record the two assignments while the application remained pending under the 1938 Act. It is a point that Mr Cook has, rightly in my view, alluded to and needs to be addressed. Although it is strictly not a matter between the parties I propose to record my views because it seems to me that corrective action is required.

112. Section 22 of the 1938 Act deals with assignment and transmission of trade marks. Section 22(3) is relevant to the current circumstances but it needs to be read in conjunction with the preceding subsections:

“**22.**-(1) Notwithstanding any rule of law or equity to the contrary, a registered trade mark shall be, and shall be deemed always to have been, assignable and transmissible either in connection with the goodwill of a business or not.

(2) A registered trade mark shall be, and shall be deemed always to have been, assignable and transmissible in respect either of all the goods in respect of which it is registered, or was registered, as the case may be, or of some (but not all) of those goods.

¹ Section 27(3) of the 1994 Act deals with applications for registration of a trade mark as an object of property and the basis on which particulars are to be entered in the register.

(3) The provisions of the two foregoing subsections shall have effect in the case of an unregistered trade mark used in relation to any goods as they have effect in the case of a registered trade mark registered in respect of any goods, if at the time of the assignment or transmission of the unregistered trade mark it is or was used in the same business as a registered trade mark, and if it is or was assigned or transmitted at the same time and to the same person as that registered trade mark and in respect of goods all of which are goods in relation to which the unregistered trade mark is or was used in that business and in respect of which that registered trade mark is or was assigned or transmitted.”

113. Further effect was given to Section 22(3) by Rule 62(2) of The Trade Marks and Service Marks Rules 1986. The latter were revoked when the 1994 Act came into being (see the list of revoked Rules in Schedule 1 to the Trade Marks Rules 1994). It was further confirmed in *Interlego AG's Trade Mark Applications* [1998] RPC 69 that:

“Further the combined effect of rules 1 and 69(1) of the 1994 Rules is to repeal the earlier rules without qualification and to replace them with the 1994 Rules with effect from October 31, 1994. In my judgment, the natural inference, in these circumstances, is that the 1994 Rules in so far as they relate to practice and procedure, were intended to apply to pending applications with effect from October 31, 1994.”

114. However, paragraph 10(1) of Schedule 3(Transitional Provisions) to the 1994 Act provides that:

“10.-(1) An application for registration of a mark under the 1938 Act which is pending on the commencement of this Act shall be dealt with under the old law, subject as mentioned below, and if registered the mark shall be treated for the purposes of this Schedule as an existing registered mark.”

(the reference to “subject as mentioned below” is in relation to associated trade marks and is not relevant for present purposes).

115. The net effect of this is that, notwithstanding the fact that Rule 62(2) ceases to apply (because of the repeal of the 1986 Rules), Section 22(3) of the 1938 Act remains relevant and applicable to this pending application. The further consequence, in my view, is that it was not open to the Registry to record the assignment of the pending application in advance of registration as it did not come within the specific exception referred to in the Section, (that is to say it was not at the time of assignment used in the same business as a registered mark).

116. I, therefore, take the view that the recordals of the assignments from Cobretti Engineering to Autotrak Limited and from Autotrak Limited to Robert Dennis Busbridge were errors of procedure in or before the Office. Such errors are capable of correction by virtue of Rule 66 of the Trade Marks Rules 2000. I take the view that this matter should be remitted to the appropriate Section in the Registry for the application to be returned to the name of the original applicant (Cobretti Engineering) before the application can be allowed to proceed (subject, of course, to the outcome of any appeal). I do not propose to deal with Mr Cook's other objections

to aspects of the assignments. If matters progress to that point those objections would need to be made the subject of a (post registration) application for rectification under the 1994 Act.

COSTS

117. Mr Busbridge has been successful and is entitled to an award of costs. Although I understand that he may have had some assistance from a professional trade mark attorney he has largely conducted the current proceedings himself.

118. In Adrenalin Trade Mark, O-040-02, Simon Thorley QC, sitting as the Appointed Person on appeal, observed that:

“ It is correct to point out that the Registrar’s practice on costs does not specifically relate to litigants in person but in my judgment it could not be that a litigant in person before the Trade Mark Registry could be placed in any more favourable position than a litigant in person before the High Court as governed by the CPR. The correct approach to making an award of costs in the case of a litigant in person is considered in CPR Part 48.6.”

119. Part 48.6 of the Civil Procedure Rules referred to in the above passage provides as follows:

“**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 ”

120. These proceedings commenced on 7 June 2002 so the applicable scale is that introduced in Tribunal Practice Notice 2/2002 (costs in proceedings before the Comptroller) for cases starting after 22 May 2000. Applying that scale (details of which were notified to the parties at the commencement of the proceedings) would normally result in an award of £1800. Applying the two-thirds guideline consistent with the practice of the High Court where private litigants are concerned would produce an award of £1200. However, at an interlocutory hearing held on 2 March 2004 I rejected a request by Mr Busbridge to file further evidence. The reasons were set out in my letter to the parties of 8 March 2004. It was agreed at the start of that hearing that costs in relation to the interlocutory matter would be dealt with as part of the overall consideration of costs at the conclusion of proceedings. I order £100 to be paid to Mr Cook as a result of his success in resisting this request for further evidence. Taking these factors in account

I, therefore, order Mr Cook to pay the applicant the net sum of £1100. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination if this case of any appeal against this decision is unsuccessful.

Dated this 27th day of July 2004

**M REYNOLDS
For the Registrar
the Comptroller-General**

ANNEX B

Observations on the most relevant exhibits in Mr Cook's evidence covering the period from BRL's demise to the material date:

KC15 - a witness statement by Donald Salvage confirming the order from Wheels Abroad Ltd. It also confirms that Mr Cook continued to market VIPER cars after BRL ceased trading and that Cobretti were his agents. The witness statement is not headed for these or any other proceedings and is not an original document. I can give it little weight;

KC16 - confirmation from Mr Cook's chassis maker that payment was made for a set of jigs to make a jaguar based Cobra chassis. Although nominally a receipt it is a curious document being in the form of an open letter and signed twice. However, I do not think it is disputed that the jigs were made and payment received;

KC17/1 - a document relating to a claimed order for 5000 colour leaflets featuring VIPER cars. In fact it is a quotation and not an order or invoice so I have no way of knowing whether the leaflets were produced let alone distributed. Although the document is dated 4 June 1990 reference is still made to BRL (Mr Cook says this is a mistake). The sample brochure attached has a manuscript annotation saying "Ken Cook 551791 2000". It is not clear whether the reference to 2000 is as a date. If so it places the document in an altogether later period;

KC17/2 - an advertisement placed by Mr Cook but using the Cobretti address. An accompanying letter from Which Kit? kit car magazine indicates the advertisements appeared in August, November and December 1990. The quality of the photocopying is poor but I can see no reference to VIPER. The advertisement is headed "427 PARTS" and carries the text "All the specialised parts you need to build your 427 kit of any make" (my emphasis);

KC18 - a statement dated 6 January 1994 from one of Mr Cook's suppliers confirming that they have made various parts for his Viper Cobra replicas. The document is in the form of an open letter and statement. It should have been in proper evidential form. I can give this little weight;

KC19 - an advertisement Mr Cook says he used to put in the mainstream classic car press. Again, I can see no reference to VIPER;

KC20 - a witness statement from Dr Bechtolsheimer confirming the background to his order. The document is very unsatisfactory being neither an original, nor headed for these or any other proceedings. It is also overwritten but not initialled and appears to reflect what the writer had been told by Mr Cook about his relationship with Cobretti. It is too deeply flawed to be reliable evidence;

KC21 - an agreement between Mr Cook and the Busbridge brothers regarding a Cortina based Cobra replica. There is no mention of VIPER but I will assume it to be so;

KC22 - a letter relating to the same on Classic Replicas headed paper and sub-headed "427 Turnkey Cars & Parts". There is no mention of VIPER;

KC23 - a "cost of Cortina parts" document said to be an invoice. Again, VIPER is not mentioned;

KC25 - said to be a 'typical advert' for VIPERS. The advertisement gives the Cobretti Engineering address and refers to "These sensational sports cars are now at last in production under new management". The advertisement appears to be the same as that included in Mr Busbridge's evidence at RB30/COB1. Mr Cook notes that the words used are "under new management" and not under new ownership;

KC26/1 to 17 - some 17 orders from Cobretti to Mr Cook under the parts scheme. Only 1 (No. 45) refers to VIPER by name though a number are likely to be orders for VIPER kits for the reasons given in the main body of this decision;

KC27/1 to 49 - sales invoices from Mr Cook to Cobretti. There is only one reference to VIPER by name but again I take the view that some must relate to VIPER kits (whilst others may be for Cobra-generic parts);

KC28 and 29 - documents from Cobretti said to have enclosed a bank draught for a V8 chassis and a cheque for a V8 body. It is not disputed that Mr Cook was supplying the Busbridges with kits and parts;

KC 32-35 - correspondence from April/May 1991 from Mr Cook to Mr Busbridge and Mr Cook to his chassis supplier regarding the system for ordering kits and parts once Mr Cook moves to Switzerland. There is only one mention of VIPER but I do not think it is disputed that the arrangements were intended to cover the supply of both VIPER Kits and parts and Cobra parts generally;

KC37 - a document showing that Cobretti were selling Mr Cook's body moulds;

KC37/1 - a Cobretti letter or fax to a potential customer showing that it was headed "Suppliers of VIPER V4, V8, V12" and (Mr Cook points out) not manufacturers. The point is not conclusive one way or the other as to the ownership of the mark;

KC 38 and 39 - papers in which Mr Cook reclaims his jigs from Mr Frost when he considered Mr Busbridge had been obtaining supplies direct and without paying Mr Cook his commission;

KC40 - a letter from Mr Cook to the Busbridges accusing them of taking the VIPER Mark.;

KC42 - a sales invoice addressed to Classic Replicas dated 19 February 1992 relating to the order of 2500 'Brightwheel Replicas Ltd leaflets' for VIPER cars. It is not clear how or indeed whether the leaflets were used;

KC51 - an article from Car Builder magazine dated May 1991 which, like other material in Mr Busbridge's evidence refers to Cobretti having "got the chance to take the project (i.e. VIPER) over";

KC54 - a selection of adverts that are said to go back to 1986. Most are from the BRL period. A number are under the Classic Replicas banner but in so far as they can be dated carry dates (or are annotated to show dates) in 1993, 1996 and 2002. They do not shed light on what the position was in the period between BRL's demise and May 1992;

KC55 - VIPER write-ups from various magazines. Again this material is either from the BRL period or carries dates from 1993 to 2001 by which time Mr Cook had returned to the UK and started in business again. None of this material appears to relate to the critical period in this case;

KC57 - another article (this time from Which Kit? January 1991) linking the VIPER to Cobretti. Mr Cook introduces the article in support of his claim that Cobretti's behaviour was dishonest.

ANNEX C

Observations on the most relevant exhibits in Mr Busbridge's evidence covering the period from BRL's demise to the material date.

RB6 and 6a - magazine articles about BRL's crash. The precise dates are not clear but have been annotated to show December 1989/January 1990;

RB7, 7a and 7b - the allegedly forged agency agreement and the document said to have been used to produce it. Whilst Mr Cook was cleared of perjury and forgery at his trial the prima facie concerns about these documents render them unsafe;

RB8 - confirmation of the Wheels Abroad order. I note that the letter is addressed to Mr Cook and is dated 14 April 1989. I infer that this relates to the original order rather than the position following BRL's cessation of trading;

RB9 - Mr Cook's letter to Kitcar International regarding BRL's collapse (referred to in more detail in the body of the decision);

RB11 - a barely legible (and partially reconstructed) copy of the Bechtolsheimer order. There is no dispute as to the existence of the order. The parties differ as to who generated the order;

RB13 - the disputed Kunzli letter selling Cobretti "Viper 4 rights an [sic] jigs". This is said to be a forgery by the purported author. It cannot be accorded any weight;

RB14 - a Pilgrim Cars (trade rival) newsletter article referring to the demise of BRL;

RB15 - a duplicate copy of Exhibit 6a;

RB21 - a request for a VIPER quote from Kunzli that was sent direct to Cobretti and not through Mr Cook;

RB23 - a copy of Mr Cook's statutory declaration in support of his later filed application (now a registration);

RB30/COB1 - the exhibit comes in two parts. RB30 itself contains advertising and press material but all of it either from after the relevant date or material which cannot readily be dated. RB30/COB1 is copy of Mr Busbridge's evidence filed in relation to Chrysler's application (No. 1410265). Not all the Exhibits have been provided. Exhibit COB/1 has been reproduced and provides copies of advertisements and editorial coverage from the period after BRL's demise. Both sides claim the advertising as being their own or under their control. These are amongst the few documents that show how the mark VIPER was presented to the relevant public and how it was perceived by the trade.

RB33 - an open letter from a freelance motoring writer (dated 16 September 1997) confirming continuous sales of VIPER cars "from as far back as I can remember". The letter was written

following Mr Busbridge's request for information and is addressed 'Dear Bob'. The writer is not well disposed towards Mr Cook. The letter is of no evidential value and should have been filed as a formal declaration. However, its contents do not in any case shed much light on ownership issues.