TRADE MARKS RULE OK! an EUTM trumps estoppel

In *Marussia v Manor Grand Prix Racing* [2016] 809 (Ch), 13 April 2016, the High Court held that estoppel provided no defence to infringement of an EUTM.

Marussia is the owner of an EUTM for the word MARUSSIA (with a logo). The Manor F1 Team had been sponsored by Marussia since 2011 and used Marussia as the name of its chassis and in its Formula One team name. The team won points in the 2014 season but the US $90 million prize money was payable only in future seasons, and (unless the Formula One World Championship Limited (FOWC) agreed) only if the team continued to race under the Marussia name.

The sponsorship agreement and the trade mark licence both came to an end on 31st December 2014. Manor went into administration owing substantial sums. Mr Stephen Fitzpatrick, the businessman behind Ovo Energy and a motor racing enthusiast, became interested in acquiring the team and to race it during the 2015 F1 season; he decided that it would be viable if the team could receive its accrued prize money, but not otherwise. Mr Fitzpatrick came to an arrangement with the creditors, including Marussia, but there was no new licence granted to use the Marussia name on the chassis or for the team. Nor was consent to a team name change agreed with FOWC. Manor raced under the "Marussia" name for the 2015 F1 season, which enabled it to claim the prize money resulting from its performance in the 2014 season.

Marussia sued for trade mark infringement and Manor defended the action on five grounds, namely: (1) Marussia impliedly consented to the use of the trade mark; (2) Marussia is estopped from asserting its rights as owner of the trade mark; (3) its use of the trade mark did not give rise to any likelihood of confusion; (4) the trade mark did not have a reputation in the Community for the purpose of Article 9(1)(c) of the EUTMR; and (5) its use of the trade mark constituted use of its own name in accordance with honest practices for the purpose of Article 12 of the EUTMR.

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On the Claimant's application for summary judgment, Males J held: (1) Manor had no real prospect of proving that its use of Marussia's trade mark was with consent; (2) Manor's estoppel defence was not available to it as a matter of law; (3) it was improbable that the trade mark defences under Article 9 and 12 of the EUTMR will succeed; (4) accordingly there was power to make a conditional order requiring Manor to provide security if it wishes to pursue those defences; and (5) if it did, it must provide security to the claimant in the sum of £1.75 million.

In deciding that the estoppel defence was not available to Manor as a matter of law, Males J considered Cases C-414 to 416/99, *Zino Davidoff,* in which the CJEU held that 'consent' in the Trade Mark Directive has an autonomous Community meaning. He held that estoppel is a rule of national law, which operates as a kind of deemed consent regardless of actual consent, so that a defendant would only need to invoke the doctrine when unable to prove actual consent within the meaning of the Regulation. Hence, to allow the possibility of such a defence would mean that protection would be subject to issues outside the terms of the CTMR and would vary according to the legal system concerned. The Judge further cited Case C-661/11, *Martin y Paz* as an example of the exclusion of national law defences. There was no arguable defence of estoppel to go to trial.

It may seem surprising that a fundamental principle of equity is not available in trade mark infringement cases but Males J ruled that it was being used as a means of circumventing a strict application of the Community meaning of consent as applied by the CJEU in *Zino Davidoff*. Seen in this light, the decision on estoppel is not surprising.

Roger Wyand QC of Hogarth Chambers leading Philip Roberts of One Essex Court, instructed by Mishcon de Reya LLP appeared for Marussia.