

**TRADE MARKS ACT 1994**

**IN THE MATTER OF TRADE MARK REGISTRATION No. 2011477  
IN THE NAME OF ARMANDO POLLINI DESIGN SpA**

**AND IN THE MATTER OF AN APPLICATION UNDER No. 9349  
FOR A DECLARATION OF INVALIDITY  
BY CALZATURIFICIO POLLINI SpA**

**AND IN THE MATTER OF AN APPEAL  
TO THE APPOINTED PERSON  
BY THE APPLICANT  
AGAINST THE DECISION OF DR W. J. TROTT  
DATED 6 JULY 2001**

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**DECISION**

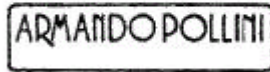
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**Background**

1. This is an appeal by Calzaturificio Pollini SpA (“CP”) against the decision of Dr. W. J. Trott, acting for the registrar of Trade Marks, dated 6 July 2001 in which he rejected CP’s application for a declaration of invalidity of Trade Mark Registration No. 2011477 standing in the name of Armando Pollini Design SpA (“AP”). References to “AP” are also to Armando Pollini who is the managing director of and moving force behind the registered proprietor.
2. Registration No. 2011477 was applied for on 17 February 1995 in respect of the following goods:
  - Class 18: Handbags, luggage, shoulder bags, beach bags, clutch bags, all purpose sports bags, attaché cases, school bags, tote bags, travelling bags, credit card cases, document cases, passport cases, cosmetic cases sold empty, keycases, knapsacks, rucksacks, briefcases, purses, wallets, travelling trunks, suitcases, umbrellas, parasols, walking sticks.
  - Class 25: Underwear, brassieres, corsets, hosiery, petticoats, nightgowns, pyjamas, pullovers, dressing gowns, bath robes, gloves, cardigans, hats, jerseys, ties, foulards, scarves, sweaters, socks, stockings, trousers, leggings, skirts, jackets, jerkins, shirts, vests, jumpers, track suits, blouses, jeans, pants, Bermuda shorts, T-shirts, caps, panties, sweat-shirts, suits and dresses, overcoats, coats, anoraks, raincoats, bathing suits, belts, shoes, boots, slippers.

3. The trade mark in Registration No. 2011477 is reproduced below:

ARMANDO POLLINI



4. By an application dated 13 December 1996, CP sought a declaration of invalidity of Registration No. 2011477:
- (a) under section 47(1) of the Trade Marks Act 1994 (“TMA”) on the ground that the mark was applied for in bad faith contrary to section 3(6) because AP “knew or ought to have known that the POLLINI portion of the trade mark was in the ownership of the applicant at the date of application”;
  - (b) under section 47(2) of the TMA on the ground that the mark was registered contrary to section 5(4)(a) because its use in the UK was liable to be prevented by the law of passing off protecting an unregistered trade mark used in the course of trade by CP.
5. The matter took a little over four years to come to a hearing before Dr. Trott on 6 April 2001. Both parties requested and were granted by the registrar several extensions of time within which to file evidence in part originating from Italy. In particular, it was deemed necessary to re-file two declarations of Vittorio Pollini, President of CP, in support of the application and in reply to AP’s evidence, as affidavits pursuant to rule 13(7) of the Trade Marks Rules 1994, as amended (now rule 13(11) of the Trade Marks Rules 2000). The later affidavits differed in only minor respects from the earlier declarations of Vittorio Pollini and both the hearing below and the appeal before me proceeded on the basis of the evidence contained in the declarations.

### **The Hearing Officer’s Decision**

6. CP grounded its bad faith allegation on an agreement entered into in 1979<sup>1</sup> between AP and CP in settlement of an action commenced by CP against AP in the Court of Ravenna, Italy on 29 December 1976 for infringement of CP’s Italian Trade Mark Registrations Nos. 215826, 255913 and 279247 and the Italian equivalent to passing off. A copy of the 1979 agreement with certified

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<sup>1</sup> There is some discrepancy as to the date of the Deed of Out of Court Settlement. The hearing officer refers to the agreement having been made in 1976. CP’s Notice of Appeal dates the agreement at 2 April 1977 as does the Statutory Declaration of David Alan Taylor for AP dated 1 November 1999. However, a translation of an Appeal in a later action between CP and AP in the Court of Milan at first instance exhibited to Mr. Taylor’s Declaration dates the out-of-court settlement of the Ravenna action in 1979. The Deed of Settlement itself indicates that 1979 is the correct date. Nothing turns in the present appeal on the discrepancy.

translation was put in evidence by AP although the second declaration of Vittorio Pollini for CP does mention a later independent action in the Court of Milan, Italy brought by CP in 1985 for invalidation of AP's Italian registered trade marks on the basis of earlier national trade marks belonging to CP.

7. In the 1979 out-of-court settlement of the Ravenna action, AP agreed in relation to footwear to use "Pollini" only with "Armando" and only accompanied by words such as "designed by", "designed" or "stylist". In relation to other goods, AP could use his name and surname plus "another creative word, consisting of at least three letters". AP remained free to use its characteristic signature on any goods. CP also gave undertakings as to its use of certain signs and the specification of designers with the surname "Pollini". The agreement finally recites that AP and CP decided to abandon the action in the Court of Ravenna with each side bearing its own costs and disbursements.
8. As to CP's allegation of bad faith on the part of AP in applying for trade mark Registration No. 2011477 in the UK, Dr. Trott concluded (at paras. 14 – 15):

As Mr. Hacon [appearing on behalf of CP] stated, the parties were concerned only with Italy – the Settlement had emerged from a dispute as to localised legal rights to a trade name in that country – and I doubt the effect of the contract in other legal jurisdictions was ever considered to be an obvious part of the agreement. I cannot see that the officious bystander test [*Shirlaw v. Southern Foundries (1926) Ltd.* [1939] 2 KB 206 at 227] would work in the favour of the applicants here, and I am not prepared to imply a provision into the contract using it.

In short, I do not believe there is enough here to discharge the onus on the applicant in respect of bad faith.

9. Regarding the ground for invalidation based on section 5(4)(a) of the TMA, Dr. Trott held that CP had failed to establish on the evidence that at the application date of Registration No. 2011477, 17 February 1995, AP's mark was liable to be prevented in use in the UK by the law of passing off protecting any earlier right belonging to CP. At best:

... the parties, in the UK, have acquired concurrent rights which result in the use of confusingly similar marks without misrepresentation by either party. As Oliver L.J. said in *Habib Bank Ltd v. Habib Bank AG Zurich Ltd* [1982] RPC at 24:

Where you find that two traders have been concurrently using in the United Kingdom the same or similar names for their goods or businesses, you may well find a factual situation in which neither of them can be said to be guilty of any misrepresentation. Each represents nothing but the truth, that a particular name or mark is associated with his goods or business.

10. The hearing officer rejected CP's application for a declaration of invalidity of Registration No. 2011477 and ordered CP to pay AP a contribution of £1000 towards AP's costs of defending the application.

### **The Appeal**

11. On 10 August 2001, CP gave notice of appeal to an Appointed Person under section 76 of the TMA (having been granted an extension of time within which to appeal until that date). In its notice of appeal CP contended that the hearing officer ought to have found the trade mark in Registration No. 2011477 invalidly registered under sections 3(6) and 5(4)(a) of the TMA and awarded CP its costs of the application.
12. At the hearing of the appeal, CP was represented by Mr. Richard Hacon, instructed by Lewis & Taylor and AP by Mr. Michael Edenborough, instructed by Mewburn Ellis. Counsel agreed that the approach I should adopt towards the appeal is as set out by Pumfrey J. in *South Cone Inc. v. Bessant*, 25 July 2001. The appeal is limited to review:

Findings of primary fact will not be disturbed unless the hearing officer made an error of principle or was plainly wrong on the evidence. His inferences from the primary facts may be reconsidered, but weight will be given to his experience. No question of the exercise of discretion arises. In this way, error will be corrected but a different appreciation will not be substituted for that of the hearing officer if he arrived at his conclusion without error.

### **Section 3(6) – Bad Faith**

13. Mr. Hacon did not suggest that the hearing officer misdirected himself as to the meaning in section 3(6) of bad faith. Dr. Trott cited the now familiar passage from the judgment of Lindsay J. in *Gromax Plasticulture Ltd. v. Don & Low Nonwovens Ltd.* [1999] RPC 367 at 379:

I shall not attempt to define bad faith in this context. Plainly it includes dishonesty and, as I would hold, includes also some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined. Parliament has wisely not attempted to explain in detail what is or is not bad faith in this context; how far a dealing must fall short in order to amount to bad faith is a matter best left to be adjudged not by some paraphrase by the courts (which leads to the danger of the courts then construing the Act but not the paraphrase) but by reference to the words of the Act and upon regard to all material surrounding circumstances.

14. Mr. Hacon was also prepared to accept Mr. Edenborough's reliance on the later case of *Eicher Limited – Royal Enfield Motor Units' Application*, SRIS O/363/01, a decision of Mr. Simon Thorley QC sitting as the Appointed Person, to the effect that bad faith in an application is a serious allegation which must be fully and properly pleaded and distinctly proved.
15. Instead, Mr. Hacon contended that the hearing officer wrongly treated the Deed of Out of Court Settlement entered into in 1979 between CP and AP as territorially limited to Italy only. Thus, Dr. Trott wrongly thought it necessary to imply a term into the agreement that it was territorially unlimited and being unable to imply such a term under the "officious bystander" test, wrongly restricted the agreement to Italy only. Mr. Hacon says Dr. Trott got the issues the wrong way round. The Deed of Settlement contains no express territorial limitation. It therefore applies elsewhere including the UK and it is impossible to imply a term to the contrary because that is not what an officious bystander would do.
16. Mr. Edenborough on the other hand, says this is not a question of implied terms. As a matter of construction, the hearing officer held that the Deed of Settlement was restricted to Italy and he refused to imply a term extending its scope to the UK.
17. I do not find Dr. Trott's process of reasoning in relation to the 1979 agreement entirely clear from the face of his decision although I incline towards Mr. Edenborough's view.
18. It seems to me that a number of questions needed to be addressed in that regard. First, what was the proper law governing the 1979 agreement? Bearing in mind the date of the agreement (pre Rome Convention as applied by the Contracts (Applicable Law) Act 1990) and the lack of express provision, the circumstances surrounding the agreement and/or objective factors like the agreement was made in Italy, between Italian parties, written in Italian, to settle Italian litigation over Italian trade marks, indicate that Italian law was the inferred choice of the parties or in any event the system of law with which the agreement had the closest and most real connection (*Chitty on Contracts*, 28<sup>th</sup> Ed., Vol. 1, 31-004 and 31-011).
19. That said, moving on to the second question of proof of law since neither party adduced evidence as to Italian law in this case the presumption is that it is the same as English law (*University of Glasgow v. The Economist Limited* [1997] EMLR 495).
20. The most recent statements of the English law on construction of contracts are contained in the House of Lords case of *Bank of Credit and Commerce International SA (in liquidation) v. Ali* [2001] UKHL/8, [2001] 1 All ER 961. Their Lordships were concerned with the proper interpretation of a general release signed by an employee of BCCI on redundancy but accepted that there were no special rules to be applied to the interpretation of general releases. Lord Bingham of Cornhill set out the relevant general principles (at para. 8):

I consider first the proper construction of this release. In construing this provision, as any other contractual provision, the object of the court is to give effect to what the parties intended. To ascertain the intention of the parties the court reads the terms of the contract as a whole, giving the words used their natural and ordinary meaning in the context of the agreement, the parties' relationship and all the relevant facts surrounding the transaction so far as known to the parties. To ascertain the parties' intentions the court does not of course inquire into the parties' subjective states of mind but makes an objective judgment based on the materials supplied.

Lord Hoffmann (delivering a dissenting judgment in the *BCCI* case) usefully phrased those general principles as a question (at para. 37):

What would a reasonable person have understood the parties to mean by using the language of the document against all the background which would reasonably have been available to them at the time?

21. I do not believe that there is any real dispute between the parties as to the background of the Deed of Out of Court Settlement. The face of the document makes clear that it was entered into in order privately to settle a civil law suit brought by CP against AP pending in the Court of Ravenna, Italy, G.R. No. 22/77. Equally clearly, that lawsuit related to the local enforcement of registered and unregistered trade mark rights belonging to CP, which pertained in the territory of Italy only. There is no indication in the agreement itself or in the facts surrounding the agreement that the parties had within their contemplation trade mark rights used or registered in any country other than Italy. Indeed the hearing officer quoted Mr. Hacon as saying at the first instance hearing: "At that time, the parties, so far as one can tell – we are talking about 1977 – on the evidence were only trading in Italy, so their minds were only concerned with Italy".
22. I believe that the proper interpretation of the 1979 agreement is that its terms were limited in sphere to Italy. Furthermore, in the particular circumstances in which the 1979 agreement was made there is no room for any implied term as to extra-territorial effect in the UK or elsewhere.
23. Since the scope of the 1979 agreement was the only ground upon which CP challenged the hearing officer's finding of no bad faith in AP's application for Registration No. 2011477, the appeal under sections 47(1) and 3(6) fails.

#### **Section 5(4)(a) – Passing Off**

24. Again, it is undisputed that the hearing officer correctly summarised the law in relation to section 5(4)(a) of the TMA by reference to the decision of Mr. Geoffrey Hobbs QC sitting as the Appointed Person in *WILD CHILD Trade Mark* [1998] RPC 455.

25. Mr. Hacon's main criticism was of the hearing officer's disregard of certain invoices in CP's evidence which, says Mr. Hacon, prove that CP was entitled to an earlier right in the United Kingdom such that use by AP of the mark in Registration No. 2011477 was liable to be prevented in passing off at the date of application on 17 February 1995.
26. At this point it is necessary to say something of the evidence adduced by CP in support of its application for a declaration of invalidity. As mentioned at paragraph 5 above, this consisted of two Declarations (subsequently replaced by Affidavits) of Vittorio Pollini, President of CP a position which he has held since 1981. In his first Declaration, Vittorio Pollini states:
- My company is involved primarily in the manufacture and sale of footwear and bags, and has sold its goods to the United Kingdom under the trade mark POLLINI since 1987 or earlier. During that time, the value of goods exported to the United Kingdom market under that trade mark has been approximately ...
27. He then sets out wholesale figures for these exports for the years 1987 – 1997 and exhibits at VP1 “copies of a selection of invoices relating to my company's supply of goods to the United Kingdom under the POLLINI trade mark”. VP1 contains two invoices for each of the years 1981 – 1986 inclusive. The invoices are in Italian and all but two are made out to Kurt Geiger Ltd, 95 Bond Street, London. The remaining two invoices are addressed to Magli SpA also at 95 Bond Street. Exhibit VP1 contains no invoices relating to the years 1987 – 1997 for which sales figures are provided.
28. Vittorio Pollini goes on to say that CP spends about £160,000 per annum in promoting its POLLINI mark in the UK. At VP2 are exhibited advertisements appearing in magazines such as “Vogue” and “Harpers & Queen”. These magazines were all published in 1996, that is, after the filing date of Registration No. 2011477 (except one where it is impossible to read the date on the extract). Vittorio Pollini's second Declaration explains that the £160,000 relates to advertising costs from 1996 onwards. In fact, he says, UK advertising spend in the period 1981 – 1996 was in the region of £35,000 per annum. No examples of advertising during the period 1981 – 1996 are exhibited.
29. The hearing officer's first objection to CP's invoice evidence was that it was in Italian. Although Dr. Trott hazarded a guess at the meaning of a few of the words appearing on the invoices, he expressed himself unable to assess the nature of any protectable goodwill.
30. Mr. Hacon told me that his researches had revealed little relevant to the issue of exhibits in a foreign language. I referred him to the Practice Direction to Part 32 of the Civil Procedure Rules, in particular, 32PD-010.2, which provides:

Where an affidavit is in a foreign language:

- (1) the party wishing to rely on it –
  - (a) must have it translated, and
  - (b) must file the foreign language affidavit with the court, and
- (2) the translator must make and file with the court an affidavit verifying the translation and exhibiting both the translation and a copy of the foreign language translation.

Similar provision is made in relation to witness statements by 32PD-023.2. There is also Rule 72(1) of the Trade Marks Rules 2000 (“TMR”), which states that the registrar may require any document filed with or sent to her to be translated into English. In *Bayer AG v. Harris Pharmaceuticals Limited* [1991] RPC 170, Hoffmann J. held that there is no obligation on a person giving discovery of a document in a foreign language to provide a translation of that document.

31. Rule 55(4) of the TMR applies the practice and procedure of the High Court with regard to witness statements to proceedings in the registry. Moreover, as has been remarked recently (see, for example, Pumfrey J. in *WUNDERKIND Trade Mark*, 28 November 2001) proceedings before the registrar are intended closely to resemble proceedings in court.
32. It seems to me that exhibits in a foreign language ought to be treated in the same way as the statutory declaration, affidavit or witness statement in conjunction with which they are used. Accordingly, where an exhibit is in a foreign language, a party seeking to rely on it in registry proceedings must provide a verified translation into English.
33. In any event, Dr. Trott identified a second and to my mind fatal objection to CP’s invoice evidence. Although CP’s trade mark appears at the top of the invoices, the invoices are all addressed to one trader at 95 Bond Street, London (possibly two if Kurt Geiger and Magli were separate undertakings even though operating out of the same premises). There is no evidence that the products were sold to members of the public under CP’s trade mark. Vittorio Pollini merely speaks in his first declaration of goods sold or exported under CP’s trade mark “to” the UK since 1987 or earlier. The products supplied in the 1981 – 1986 invoices might have been made to Kurt Geiger/Magli’s order and sold to the public in the UK under that trader’s house mark. It is only in 1996 when CP opened its own store at 47 Sloane Street, London that the advertising evidence makes clear that CP was selling footwear and bags under its trade mark in the UK.
34. The invoice evidence was pivotal to CP’s case under section 5(4)(a) because the hearing officer found that in the period 1986 – 1995 there was a “score draw” in UK turnover of goods reported by CP and AP. By “score draw”, Dr. Trott meant that each party’s claimed wholesale sales figures were more or less equivalent. That led him to conclude “the parties, in the UK, have



acquired concurrent rights which result in the use of confusingly similar marks without misrepresentation by either party”.

35. I have already mentioned that CP’s claimed turnover and advertising in the period 1987 – 1995 is totally unsupported in the evidence. Exactly the same criticism can be levelled at AP’s evidence. It is extensive but all relates to the period after the opening of AP’s shop at 35 Brook Street, London in September 1995. The only reference to prior trading in the UK by AP is at “Shoe and Leather News”, October 1995:

Pollini is fairly new to the UK market. He has been wholesaling here via agent Charles Nicole through outlets such as Kurt Geiger, Way In and Harrods for just four years ...

Again, this reveals nothing about the nature of the goods sold to the UK public.

36. Mr. Edenborough referred me to the following comment by Mr. Geoffrey Hobbs QC sitting as the Appointed Person in *WILD CHILD Trade Mark* [1998] RPC 455 at 463:

The parties to Registry proceedings generally rely on the registrar to do the best he can with the written evidence and supporting materials that are submitted for his consideration.

In my view, Dr. Trott took an extremely generous view of the evidence of both parties in arriving at his finding of concurrent rights. More recently in *WUNDERKIND Trade Mark*, 28 November 2001, Pumfrey J. advised:

It is dangerous in the conduct of any litigation to make any assumptions about the adequacy of one’s proof of the contentions for which one assumes the burden. If evidence is available, it should be put in.

37. I agree with the hearing officer that CP failed to show that at 17 February 1995 the use in the UK of the trade mark in Registration No. 2011477 was liable to be prevented by the law of passing off.

### **Costs**

38. Mr. Edenborough argued that in the event of the appeal being dismissed, AP should be awarded costs off the scale. In his skeleton argument for the appeal, he gives the following reason:

Furthermore, this appeal ought never to have been brought, because no error has been identified. Rather, the Appellant merely wishes to have another go, as evidenced by the close similarity in the wording of the original skeleton and the one filed with the Notice of Appeal.

39. It will be apparent from my findings above that I regard CP's conduct in bringing this appeal neither frivolous nor baseless. After a careful review of the papers I see no reason to depart from the normal rule that costs are ordered on the scale.

**Conclusion**

40. In the result the appeal fails. Dr. Trott ordered that CP should pay AP the sum of £1000 in respect of the application for a declaration of invalidity and I direct that a further sum of £1000 be paid to AP towards the costs of this appeal, to be paid on the same basis as indicated by Dr. Trott.

Professor Ruth Annand, 15 March 2002

Mr. Richard Hacon instructed by Lewis & Taylor appeared as Counsel on behalf of Calzaturificio Pollini SpA

Mr. Michael Edenborough instructed by Mewburn Ellis appeared as Counsel on behalf of Armando Pollini Design SpA