

O-210-05

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO. 2340925
IN THE NAME OF ANDREW MESSENGER
TO REGISTER A TRADE MARK IN CLASSES 10, 28, 41 AND 44**

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER NO. 92213 IN THE NAME OF
DEBRA JAYNE WOOMBLE**

S P R  C A P S U L E

Trade Marks Act 1994

**IN THE MATTER OF Application No. 2340925
in the name of Andrew Messenger
to register a trade mark in Classes 10, 28, 41 and 44**

And

**IN THE MATTER OF Opposition thereto
under No. 92213 in the name of Debra Jayne Woomble**

BACKGROUND

1. On 15 August 2003, Andrew Messenger applied to register a trade mark in Classes 10, 28, 41 and 44 in relation to the following specifications of goods and services:

- Class 10:** Medical apparatus; apparatus for dry hydrotherapy, heat therapy and massage; medical apparatus for treating cystic fibrosis and lymphedema cellulite.
- Class 28:** Sporting articles.
- Class 41:** Provision of sporting activities.
- Class 44:** Provision of beauty care services for conditioning and/or toning the body.

2. The mark applied for is as follows:



3. On 22 December 2003, Debra Jayne Woomble filed notice of opposition to the application, the grounds of opposition being as follows:

- 1. Under Section 5(4)(a)** by virtue of the law of passing off.
- 2. Under Section 3(6)** because the applicant does not have a bona fide intention to use the mark and can claim no entitlement to the mark.

4. The applicant filed a counterstatement in which he disputes the grounds on which the opposition is based, challenging the opponent to prove the allegations made.

5. Both sides ask that an award of costs be made in their favour.

6. Only the opponent filed evidence. Neither side requested to have an oral hearing on the case, electing instead to have a decision taken from the papers on file, so after a careful study of the evidence I now go on to make my decision.

OPPONENTS= EVIDENCE

7. This consists of a Witness Statement dated 2 September 2004, from Debra Jayne Woomble, Managing Director of Inspiration Limited, and the named opponent in these proceedings.

8. Ms Woomble refers to exhibit DJW1, which consists of a printout of the trade mark that is the subject of these proceedings, and to exhibit DJW2, a print from the website of Simulated Environment Concepts Inc, who Ms Woomble says have owned the logo since 2002. The exhibit shows that company using an identical mark in relation to what appears to be apparatus used in dry water massage therapy, although apart from showing the print was taken on 15 November 2003, cannot be dated. Ms Woomble says that only authorised dealers are entitled to use the logo, and that Andrew Messenger is the sole authorised dealer of a competitor product named Aqua Massage and has no call to use the logo. Ms Woomble refers to exhibits DJW1a, DJW1b and DJW1c which consist of variants of the Simulated Environment Concepts Inc mark, Ms Woomble saying that all versions have been used to promote her company since September 2003, although none of these exhibits bear any date.

9. Ms Woomble says that she is the sole authorised dealer of SPA CAPSULE products in the UK and Ireland, and as can be seen from the e-mail from Allen Licht, Managing Director of Simulated Environment Concepts Inc, has the full support of that company. In the e-mail, shown as exhibit DJW3, Mr Licht states that registration of his company's logo by Mr Messenger is an act of theft, and that Mr Messenger has no permission or authorisation to register it. He also states that his company has not had any dealings with Mr Messenger who is known to him as a representative of a competing product in the UK. Although Mr Licht does not identify the mark to which he is referring, Ms Woomble mentions the SPA CAPSULE trademark name and logo.

10. Ms Woomble says that she has invested tens of thousands of pounds in branding the SPA CAPSULE. She refers to exhibit DJW4 which consists of a photograph of an exhibition stand that Ms Woomble says is from the Leisure Industry Show held in September 2003. The stand shows variants of the SPA CAPSULE logo, with the word INSPIRATION which I take to be Ms Woomble's company. There is nothing by which to date the photograph or that confirms that it is from the exhibition as stated. Exhibit DJW5 consists of a SPA CAPSULE product brochure that Ms Woomble says she had designed and printed, and which has been distributed and promoted to the trade and public, although does not quantify this. The brochure shows Ms Woomble's company as the contact, although there is nothing by which to date it. Exhibits DJW6, DJW7 and DJW8 consist of a SPA CAPSULE gift voucher and a SPA CAPSULE Loyalty card, that Ms Woomble says are available for purchase by the public, and a card giving guidelines on the use of the SPA CAPSULE. Exhibit DJW9 consists of a SPA CAPSULE promotional card. Apart from a copyright notice on the gift voucher showing a date of 2004, the exhibits cannot be dated, and only the gift voucher and loyalty card show any connection with Inspiration.

11. Ms Woomble refers to the publicity that SPA CAPSULE has received in trade press journals, exhibit DJW10 being an article stated to be from the November 2003 edition of a publication entitled WORK OUT, showing a cover price of , 3 so clearly from the UK. Exhibits DJW11 and DJW12 consist of flyers that Ms Woomble says were distributed to named persons in 9000 health and leisure club establishments, and to 7,000 beauty businesses, although she does not say when. Exhibit DJW13 consists of an article from the April 2004 edition of Work Out. Whilst it shows the connection between SPA CAPSULE and Inspiration, it casts no light back to before the relevant date.

12. Ms Woomble says that she commissioned the design of a housing to go around the SPA CAPSULE to increase privacy, a photograph of this being shown as exhibit DJW14. This shows the apparatus inside a booth bearing the SPA CAPSULE name, the Inspiration name being shown on a reception desk. There is nothing by which to date the photograph.

13, Ms Woomble refers to her previous employment with Mr Messenger, and to exhibits DJW15.1 to DJW15.5, which consist of a Nominet UK DRS complaint form relating to a dispute over the ownership of the domain name spacapsule.co.uk. The form was sent by fax from Nominet on 8 August 2003 and is a complaint by Mr Messenger about the registration of the name by Ms Woomble. The complaint refers to Ms Woomble having been an employee of Mr Messenger's company until June 2003, stating that she was fully aware of his plans to have sole UK/Ireland distribution of SPA CAPSULE, having been in negotiations with the manufacturer since January 2003. The complaint goes on to refer to Mr Messenger having registered the company name SPACAPSULE Limited and SPACAPSULE (UK) Limited. There is clearly a conflict between Mr Messenger's claim to have been in negotiations with the manufacturers of SPA CAPSULE, and the e-mail shown at exhibit DJW3. This is referred to by Ms Woomble in her response, which also states that Mr Messenger registered the company name on 11 July 2003, which is confirmed by exhibit DJW25. Ms Woomble says that Mr Messenger registered the company names after her employment had terminated on 16 June 2003, and in the full knowledge that she intended to trade selling SPA CAPSULES. Ms Woomble states that she registered the disputed domain name in May 2003. There is no evidence of a decision having been issued.

14. Exhibit DJW16 consists of a further e-mail from Allen Licht, sent on 12 August 2003, which, with the unsubstantiated allegations deleted, reads as follows:

ADear Debra,

Please be advised that just as you, we were shocked to learn that Andrew Messenger of Aquamassage UK has claimed that he has been in negotiations with us concerning our product, the SpaCapsule(r). His assertions are absolutely false. He has never negotiated any such licences with us nor are we presently in any such negotiations with him...

We are equally shocked that Mr Messenger has chosen to register businesses using our registered trademark SpaCapsule(r). He has no authorization whatsoever to use any of our materials.@

15. Exhibits DJW17, DJW18, DJW19, DJW22 and DJW23 consist of e-mails from Mr Messenger to various potential clients, Ms Woomble and Mr Licht. All are dated after the relevant date and contain no relevant information other than to confirm Mr Messenger had no involvement with SpaCapsule other than as a competitor. Other e-mails that originate from prior to the relevant date are as follows:

30 June 2003 from Andrew Messenger to Allen Licht and copied to Debra Woomble. - exhibit DJW20.1 to 20.3

The e-mail is headed AFW: ce certification - let the battle commence@and forwards an e-mail sent to Ms Woomble by an e-mail address from a person named Holly but is signed AAndrew@which seems to indicate that the originator is Mr Messenger.

The mail makes reference to proceedings being commenced relating to the non-ce certification of the SPA CAPSULE, and patent infringement proceedings in America. It relates a telephone conversation with Mr Licht on 27 June 2003 in which Mr Licht was told about the Aemails/contracts sent by you to allen from February 2003 to June 2003" and to his being informed Aof our intentions to crush you and your agents@and thanks Ms Woomble for spelling out her fears on the contract (spa capsule).

The mail continues saying that Mr Licht was Aunable to persuade me to become his UK/Ireland sole distributor of SPA CAPSULE. unlike you I am honourable and loyal to ami@and Aevery time you sell a spa capsule I will sue you!@

11 July 2003 from Andrew Messenger - there is no addressee. Exhibit DJW21

The e-mail refers to a press release stating that Aqua Massage International, Inc (AMI) has filed a suit in the USA alleging that Simulated Environment Concepts Spa Capsule has infringed its patent. The subject states that the press release will be handed out at Aliw@

16. Exhibit DJW24 consists of a letter dated 14 June 2004, written by a firm of Patent and Trade Mark Attorneys, to Ms Woomble, stating that they act for Aqua Massage and demanding, inter alia, that importation of the SPACAPSULE be stopped. Exhibit DJW26 consists of a letter dated 27 November 2003, from Ms Woomble to Mr Messenger relating to the trade mark application and requesting its withdrawal.

17. That concludes my summary of the evidence insofar as it is relevant to these proceedings.

DECISION

18. Turning first to the ground of opposition founded under Section 5(4)(a). That section reads as follows:

A5.-(4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented -

- (a) by virtue of any rule of law (in particular, the law of passing off)

protecting an unregistered trade mark or other sign used in the course of trade,
or

(b) by virtue of an earlier right other than those referred to in subsections (1) to (3) or paragraph (a) above, in particular by virtue of the law of copyright, design right or registered designs.

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of an "earlier right" in relation to the trade mark.®

19. The opponents contend that they would succeed in an action for passing off against the applicants should their mark be used in the United Kingdom. A helpful summary of the elements of an action for passing off can be found in Halsbury's Laws of England 4th Edition Vol. 48 (1995 reissue) at paragraph 165. The guidance given with reference to the speeches in the House of Lords in *Reckitt & Colman Products Ltd - v - Borden Inc* [1990] RPC 341 and *Erven Warnik BV - v - J. Townend & Sons (Hull) Ltd* [1979] AC 731 is (with footnotes omitted) as follows:

"A helpful summary of the elements of an action for passing off can be found in *Halsbury's Laws of England* (4th Edition) Vol. 48 (1995 reissue) at paragraph 165. The guidance given with reference to the speeches in the House of Lords in *Reckitt & Colman Products Ltd v Borden Inc* [1990] RPC 341 and *Erven Warnink BV v J Townend & Sons (Hull) Ltd* [1979] A.C. 731 is (with footnotes omitted) as follows:

"The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:

- (1) that the plaintiff's goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;
- (2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by the defendant are goods or services of the plaintiff; and
- (3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant's misrepresentation.

The restatement of the elements of passing off in the form of this classical trinity has been preferred as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House. This latest statement, like the House's previous statement, should not, however, be treated as akin to a statutory definition or as if the words used by the House constitute an exhaustive, literal, definition of 'passing off', and in particular should not be used to exclude from the ambit of the tort recognised forms of the action for passing off which were not under consideration on the facts before the House."

Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph 184 it is noted (with footnotes omitted) that:

"To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

- (1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and
- (2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

- (a) the nature and extent of the reputation relied upon;
- (b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;
- (c) the similarity of the mark, name etc used by the defendant to that of the plaintiff;
- (d) the manner in which the defendant makes use of the name, mark etc complained of and collateral factors; and
- (e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action."@

20. To the above I add the comments of Pumfrey J in *South Cone Incorporated v Jack Bessant, and others*, [2002] RPC 19, in which he said:

A27. There is one major problem in assessing a passing off claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the

Registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent's reputation extends to the goods comprised in the applicant's specification of goods. The requirement of the objection itself are considerably more stringent than the enquiry under S.11 of the 1938 Act (see *Smith Hayden & Co. Ltd's* application (OVAX) (1946) 63 RPC 97 as qualified by *BALI* Trade Mark [1969] RPC 472). Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.

28. Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed at the relevant date. Once raised, the applicant must rebut the prima facie case. Obviously, he does not need to show that passing off will not occur, but he must produce sufficient cogent evidence to satisfy the hearing officer that it is not shown on the balance of possibilities that passing off will occur.@

21. The date at which the matter must be judged is not entirely clear from Section 5(4)(a) of the Act. This provision is clearly intended to implement Article 4(4)(b) of Directive 89/104/EEC. It is now well settled that it is appropriate to look to the wording of the Directive in order to settle matters of doubt arising from the wording of equivalent provisions of the Act. The relevant date may therefore be either the date of the application for the mark in suit (although not later), or the date at which the acts first complained of commenced **B** as per the comments in *Cadbury Schweppes Pty Ltd v The Pub Squash Co Pty Ltd* [1981] RPC 429.

22. The mark applied for, and that used by the opponent are identical, and would be used in relation to goods for the same or similar purpose that would be sold and used by the same customers. It therefore seems to me that the answer to this objection revolves entirely around whether the opponent can establish that they have the requisite goodwill in the name.

23. Whilst it is clear that the opponent has been importing and promoting the SpaCapsule, there is not a piece of evidence, such as a purchase order, invoice, etc, that proves that prior to the relevant date there had been a single sale, either by Ms Woomble or the US manufacturer. There are references in some of the e-mails that could be taken to infer that there have been sales, but not that this was prior to the relevant date, or that these were linked to Ms Woomble. Ms Woomble may have established a reputation linked to the SpaCapsule, but as stated in *Athletes Foot v Cobra* [1980] RPC 343, having a reputation on its own is not enough, there must be goodwill with a customer. But even if it were, there is no evidence that establishes any reputation prior to the relevant date. The ground under Section 5(4)(a) must therefore be dismissed.

24. Turning to the ground under Section 3(6). That section reads as follows:

A3.-(6) A trade mark shall not be registered if or to the extent that the application is made in bad faith.@

25. In the case of *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] RPC 367, Lindsay J put the position in relation to an allegation of bad faith as follows:

AI 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 so 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 not the Act but the paraphrase) but by reference to the words of the Act and upon a regard to all material surrounding circumstances.@

26. Mr Simon Thorley Q.C., appearing as the Appointed Person in *R. v. Royal Enfield Trade Marks* [2002] RPC. 24, paragraph 31, took the following view on an allegation that a party has acted in bad faith:

A31 An allegation that a trade mark has been applied for in bad faith is a serious allegation. It is an allegation of a form of commercial fraud. A plea of fraud should not lightly be made (see Lord Denning M.R. in *Associated Leisure v. Associated Newspapers* [1970] 2 Q.B. 450 at 456) and if made should be distinctly alleged and distinctly proved. It is not permissible to leave fraud to be inferred from the facts (see *Davy v. Garrett* (1877-78) L.R. 7 Ch.D. 473 at 489). In my judgment precisely the same considerations apply to an allegation of lack of bad faith made under section 3(6). It should not be made unless it can be fully and properly pleaded and should not be upheld unless it is distinctly proved and this will rarely be possible by a process of inference. Further I do not believe that it is right that an attack based upon section 3(6) should be relied on as an adjunct to a case raised under another section of the Act. If bad faith is being alleged, it should be alleged up front as a primary argument or not at all.

32 In the present case Mr. Edenborough invited the hearing officer to infer bad faith from incidents which allegedly took place in 1989, the bad faith being in 1992. No application has made to cross examine Mr. Narayan to challenge his rejection of Mr. Holder's evidence. Mr. Edenborough told me that no application was made to cross examine because it was the practice of the Registry to refuse such applications. I am unaware that there is such a practice and if there were to be, it would be wrong.

27. In the Court of Appeal decision in *Harrison's Trade Mark Application* [2005] FSR 10, Sir William Aldous's judgment considered the relevance of a further case, *Twinssectra Ltd v Yardley*, [2002] UKHL 12; [2002] 2 A.C. 164, which had been before The House of Lords. Consideration was given to the nature of the test to be applied in determining matters of dishonesty:

A23 In *Twinssectra*, the courts had had to consider whether a solicitor had acted dishonestly. Although the question for decision in that case was different, the reasoning in the speeches is relevant. The leading speech was made by Lord Hutton. At [27] he said:

A27 Y. There are three possible standards which can be applied to determine whether a person has acted dishonestly. There is a purely subjective standard, whereby a person is only regarded as dishonest if he transgresses his own standard of honesty, even if that standard is contrary to that of reasonable and honest

people. This has been termed the 'Robin Hood test' and has been rejected by the courts. As Sir Christopher Slade stated in *Walker v Stones* [2000] Lloyd's Rep PN 864, 877 para.164:

'A person may in some cases act dishonestly, according to the ordinary use of language, even though he genuinely believes that his action is morally justified. The penniless thief, for example, who picks the pocket of the multi-millionaire is dishonest even though he genuinely considers that theft is morally justified as a fair redistribution of wealth and that he is not therefore being dishonest'

Secondly, there is a purely objective standard whereby a person acts dishonestly if his conduct is dishonest by the ordinary standards of reasonable and honest people, even if he does not realise this. Thirdly, there is a standard which combines an objective test and a subjective test, and which requires that before there can be a finding of dishonesty it must be established that the defendant's conduct was dishonest by the ordinary standards of reasonable and honest people and that he himself realised that by those standards his conduct was dishonest. I will term this 'the combined test'.

24 Clearly the court, when considering bad faith, cannot apply a purely subjective test, called by Lord Hutton 'the Robin Hood test'. The dishonest person or one with low standards cannot be permitted to obtain trade mark registrations in circumstances where a person abiding by a reasonable standard would not. The registration of a trade mark is designed to enable bona fide proprietors to protect their proprietary rights without having to prove unfair trading. Registration is not provided to help those with low moral standards.

25 Lord Hutton went on to conclude that the true test for dishonesty was the combined test. He said:

'Therefore I consider that your Lordships should state that dishonesty requires knowledge by the defendant that what he was doing would be regarded as dishonest by honest people, although he should not escape a finding of dishonesty because he sets his own standards of honesty and does not regard as dishonest what he knows would offend the normally accepted standards of honest conduct.'

26 For my part, I would accept the reasoning of Lord Hutton as applying to considerations of bad faith. The words 'bad faith' suggest a mental state. Clearly when considering the question of whether an application to register is made in bad faith all the circumstances will be relevant. However, the court must decide whether the knowledge of the applicant was such that his decision to apply for registration would be regarded as in bad faith by persons adopting proper standards.

28. In these proceedings the allegation of bad faith on the part of the applicant is made on two grounds:

The applicant does not have a bona fide intention to use the trade mark in relation to the full range of goods for which registration is sought because the applicant does not have the right to purchase, sell, promote, use or advertise the SPA CAPSULE product.

The applicant is the exclusive distributor of a competitor product called Aqua Massage and wishes to hinder the business of the opponent by confusing the public with the same trade mark.

29. Ms Woomble, the opponent, had been employed by Mr Messenger, the applicant, selling massage apparatus under the brand name Aqua Massage, the product of Aqua Massage International Inc,. On 16 June 2003, Ms Woomble terminated her employment with Mr Messenger to become the UK and Ireland importer and distributor of a competitor product sold under the name SPA CAPSULE, manufactured by Simulated Environment Concepts Inc,. There is no specific evidence setting out the state of Ms Woomble's and Mr Messenger's professional relationship at the time Ms Woomble left the company, but subsequent e-mails from Mr Messenger indicate that they parted on less than amicable terms, and that this did not improve with the passage of time. I mention this as it helps put the subsequent events into context.

30. In May 2003, presumably whilst still working for Mr Messenger, Ms Woomble registered the domain names spacapsule.co.uk and insparation.co.uk, and on 4 June 2003, a company under the name Insparation Limited. Ms Woomble explains that she did not register a company name using SPA CAPSULE because it was her intention that the company also trade in other goods. Mr Messenger was obviously aware of these registrations, for on 11 July 2003, he registered the company names, Spa Capsule (UK) Limited and Spa Capsule Limited, and on 4 August filed a complaint with Nominet UK to have the domain name transferred.

31. Mr Messenger does not say why he registered the company names. In his complaint to Nominet, he claims that since January 2003 he had been in negotiations to become the sole UK and Ireland distributor of SPA CAPSULE, and that he owned the SPA CAPSULE company names. Following on as it does from the reference to negotiations, the statement relating to the company names leaves it open to be inferred that these were registered as part of the preparations to become a distributor. However, two e-mails from Allan Licht, Managing Director of Simulated Environment Concepts Inc (the manufacturers of SPA CAPSULE) shown at exhibits DJW3 and DJW16 make it clear that Mr Messenger is not, and has never been involved in any such negotiations, or the promotion or sale of any product under the SPA CAPSULE name.

32. Following the challenge to his claim to having been in negotiations I consider that it was down to Mr Messenger to make good his word, or at the very least, to do as any reasonable and honest person would do and refute the inference that he was lying. Mr Messenger did neither and I am left to wonder why? The answer may be in an e-mail of 28 June 2003 (DJW20), from Mr Messenger to Ms Woomble, in which Mr Messenger states that Allen (which I take to be Allen Licht) had been unable to persuade him to become their sole distributor in the UK/Ireland because he (Mr Messenger) was 'honourable to AMI' which from exhibit DJW21 can be seen to be a reference to Aqua Massage International, Inc,. The e-mail also states that Mr Messenger's 'specialist advisors on CE certification will commence proceedings throughout Europe to block import of a potentially dangerous piece of non-compliant equipment'. If Mr Messenger had plans to establish a market for the SPA CAPSULE product in the UK, this seems to be a strange way to

go about it. These circumstances would, I believe, give reasonable and honest people cause to question the honesty of Mr Messenger's conduct.

33. So why did Mr Messenger register the companies? Ms Woomble contends that he did so in the full knowledge that she intended to start selling the SPA CAPSULE and that the motive behind these actions is none other than to hinder her business. The e-mail at exhibit DJW20 shows without any shadow of a doubt that Mr Messenger knew that there was a product badged as SPA CAPSULE that was being imported into the country and sold by Ms Woomble and her company. The e-mail also states that Mr Messenger had told Mr Licht of his intentions to crush Ms Woomble and her agents. Mr Messenger relied on the company registrations in his attempt to obtain ownership of the spacapsule.co.uk domain name, and given that he was not going to be involved in selling the SPA CAPSULE it would be easy to reach the conclusion that he registered the company names either to prevent Ms Woomble (or Simulated Environment Concepts Inc,) from doing so, to strengthen his hand in his attempt to obtain the domain name, or to cause mischief to Ms Woomble's business.

34. On 15 August 2003 Mr Messenger applied to register a trade mark consisting of the words SPA CAPSULE with a device, which the evidence shows to be identical to the trade mark of Simulated Environment Concepts Inc, and not surprisingly, the mark used by Ms Woomble in her promotion of the SPA CAPSULE. Ms Woomble alleges that Mr Messenger does not have any intention of using the trade mark in respect of the goods or services for which he seeks registration. I would have to say that given Mr Messenger's past actions it would not be unreasonable to infer that he made the application with no other purpose than to prevent Ms Woomble from carrying on her business. What is telling is Mr Messenger's complete silence. Ms Woomble threw down the gauntlet and Mr Messenger has ignored it. That is not good enough. Once the challenge was made and evidence filed to back the allegations, it fell to Mr Messenger to respond; he cannot simply ignore the issue. Leaving the allegations unanswered leads me to the conclusion that filing the application was no more than another spoiling tactic designed to affect Ms Woomble's business, and that he has no intention of using the mark himself. On the evidence before me, and particularly given the lack of any denial by Mr Messenger, I do not consider that reaching this conclusion is in any way unreasonable, but I am, conscious that I may be accused of having done so by inference from the facts, something Mr Thorley Q.C., in *R. v. Royal Enfield Trade Marks* stated to be impermissible.

35. Ordinarily there would be nothing to prevent Mr Messenger seeking to register a trade mark used by someone else in another jurisdiction but with no known intention to do so in the UK. However, in this case he is doing so in the full knowledge that the foreign proprietor, through Ms Woomble, is not just intending to use the mark in the UK in relation to the same or similar goods and services covered by his applications, but were actually doing so prior to the date that he made the application, and that is a different matter altogether. In the *Daawat* trade mark case [2002] RPC12, the Hearing Officer considered that in order to make out a prima facie case of bad faith, the claimant had to show that the respondent:

- a) had knowledge of the applicant's use of the mark DAAWAT in India prior to the date of its application for the registration of the same mark in the UK;

b) had reasonable grounds to believe that the applicant intended to enter the UK market for rice under that DAAWAT mark;

c) applied to register the mark DAAWAT in order to take unfair advantage of the applicant's knowledge of the registered proprietor's plans.

36. The case went to appeal before Mr Geoffrey Hobbs QC sitting as the Appointed Person (See [2003] RPC 11). Whilst not explicitly confirming his agreement with the criteria set out by the Hearing Officer, Mr Hobbs did not express any disagreement, and clearly did not consider that in taking this approach the Hearing Officer had erred in some relevant respect: by misdirecting himself on the law or the evidence or by being so plainly wrong that he must have misdirected himself. In his decision dismissing the appeal, Mr Hobbs referred, inter alia, to the decision of the First Cancellation Division of the Community Office case of *Interkrenn Maschinen Vertriebs GmbH*'s Trade Mark [2002] ETMR 27, p. 312, in which it was ruled:

A15. In this specific case, the applicant has shown conclusively that a person linked to the trade mark proprietor obtained knowledge of a planned trade mark of the applicant during a business meeting. The name of this person is contained in the company name of the trade mark proprietor (Krenn/Interkrenn GmbH). In that regard two witnesses were named. The trade mark applicant has not refuted this contention and in this case that may be regarded as an admission. Therefore, what we are dealing with here is a classic case of 'trade mark theft'.

17. Anyone who misappropriates the trade mark of a third party in a manner such as that described above, acts in bad faith within the meaning of Art. 51(1)(b) CTMR (*c.f.* in that respect, also the Decision of *BE NATURAL*, of October 25 2000, C000479899/1; now final). Therefore, the registration of Community trade mark No. 382,325 had to be declared invalid.®

37. Mr Hobbs went on to say:

A93 As noted in para 14 of the principal hearing officer's decision in the present case, the First Cancellation Division in its Decision in the *BE NATURAL* case (October 25 2000) adopted the view of UK Trade Marks Registry that a finding of bad faith could properly be made:

AWhere the applicant was aware that someone else intends to use and/or register the mark, particularly where the applicant has a relationship, for example as employee or agent, with that other person, or where the applicant has copied a mark being used abroad with the intention of pre-empting the proprietor who intends to trade in the United Kingdom.®

94 Similarly, in para 33 of its decision, in *Lancome Parfums et Beauté et Cie*'s Trade Mark [2002] ETMR 89, p.281 the First Cancellation Division observed that a finding of bad faith could properly be made where an applicant attempts, by means of registration, to

seize the trade mark of a third party with whom he had a contractual or pre-contractual relationship.

95 It is true that in para 32 of its Decision in the *Lancome* case the First Cancellation Division reiterated the view it had expressed in earlier cases to the effect that bad faith is a narrow legal concept in the Community trade mark system and that it generally involves and brings into play (without being restricted to) fraudulent or other injurious intent. However, it went on to say that:

This means that it can also be interpreted as an underhand practice involving an absence of honest intent on the part of the Community trade mark applicant at the time of filing of the application. Bad faith can be understood as being an underhand practice involving an absence of good faith *vis à vis* the Office on the part of the applicant at the time of filing or as an underhand practice based on actions infringing the rights of third parties.

96 The approach of the Community Office appears to be consonant with the approach adopted by Lindsay J. in the *Gromax* case and seems clearly to extend to behaviour of the kind that the courts in the United Kingdom have been prepared to regard as reprehensible, but not necessarily dishonest: see para 9 of the judgment of Pumfrey J in *REEF* Trade Mark [2002] R.P.C. 19, p.387. It does not appear to require conscious dishonesty of the kind envisaged by the House of Lords in *Twinsectra*.

38. Exhibit DJW15 consists of the complaint form filed by Mr Messenger in his attempt to gain ownership of the SPA CAPSULE domain name. In this Mr Messenger confirms that in January 2003, some seven months prior to the relevant date, he was in negotiations with Simulated Environment Concepts Inc, to become the distributor for their product SPA CAPSULE in the UK and Ireland. The complaint form contains a Declaration, inter alia, to the effect that the information contained in the complaint is, to the best of the declarant's knowledge, true and complete, and that the complaint is not being presented in bad faith in the matters stated. Setting aside my earlier comments on the validity of the claim to have been in negotiations, it is possible to draw one of two conclusions from this. Either Mr Messenger signed the Declaration knowing it to be false which would give a telling insight into his business ethics, or that he was aware of the use of SPA CAPSULE in the USA. Whilst this does not mean that Simulated Environment Concepts Inc, had made him aware of any intention to extend their business into the UK, it would indicate that Mr Messenger at least considered this to be a possibility.

39. But whatever exhibit DJW15 does or does not prove, the e-mail at exhibit DJW20 shows without any shadow of a doubt, that on 28 June 2003, and prior to making the application to register the disputed trade mark, Mr Messenger knew that Simulated Environment Concepts Inc, were not only manufacturing and selling massage apparatus in the United States under the SPA CAPSULE logo, but that it was being imported, promoted and sold in the UK by Ms Woomble. The e-mail also makes it clear that Mr Messenger intended to cause injury to Ms Woomble's trade in the SPA CAPSULE. On the facts before me I would say that on the criteria set down by the Hearing Officer in *Daawat* the allegation of having made the application in bad faith is proven. There is no denial by Mr Messenger; he leaves each and every allegation unchallenged. I find that Mr Messenger consciously made the application with no bona fide intention to use it as

anything other than to inhibit or injure Ms Woomble's business, an act that in the *Lancome* case the First Cancellation Division described as being an underhand practice based on actions infringing the rights of third parties@.

40. The opposition having been successful, the opponent is entitled to her costs. I hereby order that the applicant shall pay the opponent the sum of £2,000, this to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 25th day of July 2005

**Mike Foley
for the Registrar
the Comptroller-General**