

O-240-07

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO. 82113
BY TERENCE REVILL AND DEBORAH ANN REVILL
FOR A DECLARATION OF INVALIDITY IN RESPECT OF
TRADE MARK NO. 2348098 IN THE NAME OF
HANDSHAKE LTD**

TRADE MARKS ACT 1994

**IN THE MATTER OF application No. 82113
by Terence Revill and Deborah An Revill
for a Declaration of Invalidity in respect of trade mark No. 2348098
in the name of Handshake Ltd**

DECISION

1. Trade Mark No. 2348098 is for the mark GREASEMANIA and is registered in Class 41 in respect of “Entertainment services.”
2. The mark is represented in the following manner:



3. By an application dated 13 April 2005, and amended on 19 July 2005, Terence Revill and Deborah Ann Revill applied for the registration to be declared invalid under the provisions of Section 47(2)(b) of the Act. The application is made on the following grounds:
 1. Under Section 5(4)(a) by virtue of the law of passing-off.
 - .2. Under Section 3(6) because the application was made in bad faith.
4. The registered proprietors filed a counterstatement in which they deny the grounds on which the application is based.
5. The registered proprietor and the applicants for invalidity both ask for an award of costs in their favour.
6. Both sides filed evidence in these proceedings, which, insofar as it may be relevant I have summarised below. Neither side took up the offer of an oral hearing, instead electing to have the matter determined from the papers on file.

Applicants' evidence

7. This consists of a Witness Statement dated 21 November 2005, from Terence Revill, who describes himself as a musician and theatrical producer.

8. Mr Revill refers to the formation of an unincorporated musical, dancing and theatrical company in April 1997 under the name Flash Musicals. He says that the company was initially set up principally as a “community service organisation aiming to offer an opportunity for children and young people from low income or disadvantaged families to become involved in the performing arts.” Mr Revill says that this resulted in the performance of musical shows that ultimately provided income to expand the activities and pay for equipment and staff to supplement grants. He says that the company is nowadays a registered charity.

9. Mr Revill states that since 2002 his company has enjoyed the use of its own theatre known as Flash Musicals Youth Theatre, in Edgware, Middlesex, and runs a production company and adult acting group. He says that performances have taken place outside of this locality, with groups travelling to venues to perform for other charities. He says that more talented performers were trained and to perform in professional touring shows, the booking being obtained through theatrical agencies. Mr Revill claims that the company's reputation is widespread, having received publicity in *The Stage*, local newspapers and by performances for other charities, public functions, theatres and at corporate events.

10. Mr Revill goes on to refer to his company having performed a stage show under the name *Grease Mania*, a tribute show for the famous American stage play *Grease*. He says that he cannot recall precisely when the first show took place because much of the related documentation has been lost, but nonetheless puts this as being some time in 1997 and no later than 1998. He can pinpoint the latter date because he has located a photograph of the 1999 *Grease Mania* cast, a copy of which he shows as Exhibit TR1. The second page of the exhibit consists of a list of *Grease Mania* performances in the period December 1999 through to 6 September 2003, compiled by Mr Revill from his recollection “with the aid of odd jottings and correspondence”. The exhibit also includes a letter dated 5 May 1999, from a London Borough of Barnet Councillor to “Michelle” of M G Media, who Mr Revill says is his company's public relations assistant. This letter refers to a performance that had taken place on Saturday night, but not that this was *Grease Mania*.

11. Mr Revill refers to his handing over the responsibility for the stage booking for *Grease Mania* to two agencies: John Hessenthaler Productions, and Reel to Real Productions, appointed on 9 August 2001 and 17 August 2001, respectively. These names appear in the “Booked through” column in the list of performances compiled by Mr Revill and shown as part of Exhibit TR1.

12. Mr Revill says that although he believes the *Grease Mania* company could function on recommendations, they did advertise, a copy of such an advertisement being shown as Exhibit TR2. The advertisement refers to a performance of *GREASEMANIA – The ultimate GREASE tribute show*”, noting John Hessenthaler as the contact which places it at, or later than August 2001. The second page of the exhibit consists of two photographs of the cast, one of which is endorsed “G/Mania 2001”. The third page consists of another poster for “*GREASE*” MANIA,

again noting John Hessenthaler as the contact, Mr Revill says that this was used as a handbill. The third page consists of a photograph with a box containing the details “GREASEMANIA” The Ultimate GREASE Tribute Show, The Alexandra Theatre, Bognor Regis, Saturday 23 February 2002”. Mr Revill states that this was used as a poster for the show. The fourth page consists of a similar poster for a show held on 19 April 2002 at the Guinness Social Club Theatre, London. The fifth page consists of another handbill/poster that Mr Revill says was used in 2002, and a final page consisting of a promotional photograph stated to have been distributed in June 2001, both containing a reference to GREASEMANIA.

13. Mr Revill goes on to refer to his company’s work for the underprivileged, Exhibit TR3 being a copy of a pamphlet from Barnet Voluntary Services Council dated as Winter 2002. This contains an article on Flash Musicals that refers to their production of GREASE, and also to several workshop participants having gone on to become professional artists, with one having taken the lead in a West End musical production. Two further pages to the exhibit are stated to show a photograph of a performance of GREASE MANIA for Middlesex Young Peoples Clubs in April 2003. Mr Revill refers to Exhibit TR4 which he describes as “the master of our 12-page Grease Mania programme as distributed at every Grease Mania performance since January-February 2001. The remainder of Mr Revill’s Statement consists of submissions on the contents of the Counterstatement filed by the registered proprietors, in particular challenging the registered proprietors claim to have presented a show GREASE MANIA in 2003. It is not necessary that they be summarised as evidence. I will, of course take them into account in my determination of this case.

Registered Proprietors’ evidence

14. This consists of a Witness Statement dated 14 March 2006, from James Stuart Littlewood, Managing Director of Handshake Limited, a position he has held since 1981.

15. Mr Littlewood states that his company is one of a number within the Handshake entertainment group, which since 1997 has been touring with a production called Abba Mania, a tribute to the Abba group. He says that in “late 2003” his company decided to expand on the Abba Mania concept and developed a concert style production utilizing music from the well known hit musical “Grease”, the name GREASEMANIA being “an obvious and catchy, follow-on from the ABBA MANIA show.” Mr Littlewood says that the first performance of GREASEMANIA was staged at the Empress Ballroom, Winter Gardens, Blackpool on 29 October 2003, the show being advertised for the previous two months. Exhibit SL1 consists of a poster for the event, and refers to a Stuart Littlewood production of GREASE MANIA at the venue and on the date stated.

16. Mr Littlewood says that following the success of the show his company decided to take the GREASEMANIA concept further. He says that Handshake commissioned a trade mark search that did not reveal any prior applications or registrations, or any use in the marketplace. In November 2003 his company began to organize a nationwide tour of the GREASEMANIA show that was scheduled to take place later that year and in 2004, and contacted many venues throughout the UK. Exhibit SL2 consists of a pro-forma e-mail, promotional artwork to accompany the e-mail and a list of venues to which these were sent in November 2003. The e-mail refers to the touring show GREASE, to an ITV show called GREASE MANIA that is stated to have attracted 8 million viewers, and to Mr Littlewood’s

company presenting a “special touring concert called Grease Mania”. The shows were scheduled to take place in 15 venues throughout England and Wales between 14 February and 3 July 2004, Exhibits SL3 and SL4 being a list of venues and dates, a draft press release, and copies of promotional flyers. The list of venues also gives the number of flyers produced for each venue, amounting to over 74,000 in total. Exhibit SL5 consists of examples of how the venues promoted the performances.

17. Mr Littlewood recounts that in February 2004, and shortly before the tour was due to commence, his company was contacted by the lawyers representing Clearchannel, the promoter of the Grease show, who asked that his company cease using the GREASEMANIA mark. He states that his company took advice from the Performing Rights Society Ltd, who advised that it should be permissible to stage a concert version of the GREASE show rather than a musical. Mr Littlewood says that they subsequently decided to postpone the tour until registration of the trade mark had been achieved. He goes on to say that following a letter of complaint received in May 2004 from the applicants, his company decided to postpone further use of GREASEMANIA until these proceedings had been concluded, but it has always been his company’s intention to re-launch GREASEMANIA.

18. Mr Littlewood refers to his becoming aware in April 2004, that one of the venues that had been of his company’s schedule had arranged for a company called Chimes International Limited, and Mr John Hessenthaler to produce and perform a show under the name GREASEMANIA. He says that on 28 April 2004 he wrote to Chimes and Mr Hessenthaler to ask them to cease use of the mark. The letter in response from Chimes is dated 30 April 2004, and is shown as Exhibit SL6. Whilst this withdraws the show from the theatres, it states that this is not because of the letter, but because the show was not of a high enough standard. The response from Mr Hessenthaler confirms that he would not book any further GREASEMANIA shows.

Applicants’ evidence in reply

19. This consists of a Witness Statement dated 12 September 2006 from Terence Revill. Being in reply it is not surprising that it consists primarily of submissions on the registered proprietors’ evidence and claims. This being the case it is not appropriate that I should summarise the contents as evidence of fact, but will take them fully into account in my determination of this case.

20. That concludes my review of the evidence insofar as it is relevant to these proceedings.

Decision

21. The application for a Declaration of Invalidity is made under the provisions of Section 47 of the Act, which reads as follows:

“47.-(1) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 3 or any of the provisions referred to in that section (absolute grounds for refusal of registration).

Where the trade mark was registered in breach of subsection (1)(b), (c) or (d) of that

section, it shall not be declared invalid if, in consequence of the use which has been made of it, it has after registration acquired a distinctive character in relation to the goods or services for which it is registered.

(2) The registration of a trade mark may be declared invalid on the ground -

(a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or

(b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration

(2A)* But the registration of a trade mark may not be declared invalid on the ground that there is an earlier trade mark unless -

(a) the registration procedure for the earlier trade mark was completed within the period of five years ending with the date of the application for the declaration,

(b) the registration procedure for the earlier trade mark was not completed before that date, or

(c) the use conditions are met.

(2B) The use conditions are met if -

(a) within the period of five years ending with the date of the application for the declaration the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or

(b) it has not been so used, but there are proper reasons for non-use.

(2C) For these purposes -

(a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and

(b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(2D) In relation to a Community trade mark, any reference in subsection (2B) or (2C) to the United Kingdom shall be construed as a reference to the European Community.

(2E) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.”

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

“5.-(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)

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”.

23. The requirements for this ground of opposition have been restated many times and can be found in the decision of Mr Geoffrey Hobbs QC, sitting as the Appointed Person, in *WILD CHILD Trade Mark* [1998] R.P.C. 455. Adapted to opposition proceedings, the three elements that must be present can be summarised as follows:

(1) that the opponents’ 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 applicant (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by the applicant are goods or services of the opponents; and

(3) that the opponents have suffered or are likely to suffer damage as a result of the erroneous belief engendered by the applicant’s misrepresentation.”

24. To the above I add the comments of Pumfrey J in the *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* case, in which he said:

“27. 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 requirements of the objection itself are considerably more stringent than the enquiry under Section 11 of the 1938 Act (See *Smith Hayden (OVAX)* (1946) 63 RPC 97 as qualified by *BALI* [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.”

25. 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, as per the comments in *Cadbury Schweppes Pty Ltd v The Pub Squash Co Pty Ltd* [1981] RPC 429.

26. The starting point is to ascertain whether the applicants have goodwill in the name GREASEMANIA. In *IRC v Muller and Co's Margarine* [1901] AC 217 at 223, Lord McNnaughton explains what is meant by “goodwill” in the following terms:

"What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first start."

27. The act of creating a name does not, of itself, bring the inventor any rights even if this occurred at a time earlier than the commencement of its use by another. In the decision in *Harrods Limited v Harrodian School Limited* [1996] RPC 697, Millett LJ at paragraph 791 stated:

“It is well settled that (unless registered as a trade mark) no one has a monopoly in his brand name or get up, however familiar these may be. Passing off is a wrongful invasion of a right of property vested in the plaintiff; but the property which is protected by an action for passing off is not the plaintiff's proprietary right in the name or get up which the defendant has misappropriated but the goodwill and reputation of his business which is likely to be harmed by the defendant's misrepresentation.”

28. The applicants' activities are stated to have commenced in April 1997 under the name Flash Musicals, a company set up principally as a community service organisation offering opportunities to youngsters from low income or disadvantaged families to become involved in the performing arts. Part of this involved the staging of musical shows, one of which was performed under the name Grease Mania, a tribute show for the famous American stage play Grease. Mr Revill says that he cannot recall precisely when the first show took place because much of the related documentation has been lost, but nonetheless puts this as being some time in 1997 and no later than 1998. He can pinpoint the latter date through a photograph of

the 1999 Grease Mania cast, a copy of which he shows as Exhibit TR1. The second page of the exhibit consists of a list of Grease Mania performances that took place in the period December 1999 through to 6 September 2003. Mr Revill says that he compiled this from his recollections “with the aid of odd jottings and correspondence”. The registered proprietors have not disputed that these shows took place. Corroboration of at least one of these performances can be found in a letter dated 5 May 1999, from a London Borough of Barnet Councillor to “Michelle” of M G Media, who Mr Revill says is his company’s public relations assistant. This refers to a performance that had taken place on the previous Saturday night. Although the letter does not specifically mention that this was Grease Mania, Mr Revill attests that this was the case, a claim that also goes unchallenged.

29. Mr Revill says that the company grew to the extent that it “soon became necessary to charge entrance fees to audiences”. This indicates that up until this time the performances had been provided without charge, and that the applicants were not operating commercially in the normal sense of the word. They were not trading in goods or providing a service in return for payment. Mr Revill mentions that this state of affairs changed soon after the GREASE MANIA shows started, but when is “soon after”; this is a rather nebulous statement..

30. In *Keane v McGiven* [1982] F.S.R. 119 CA the Court of Appeal considered a somewhat similar position, which although involving two political parties still provides useful guidance. In that case, Ackner LJ stated:

“The property which is said to be injured in that situation is not the name or the description of the goods but the right to the goodwill of the business which results from the particular commercial activity. Therefore the courts do not in general interfere to protect a non-trader. I hasten to add that of course the word "trade" is widely interpreted and includes persons engaged in a professional, artistic or literary occupation.

Thus the action lies where there is a real possibility of damage to some business or trading activity. Therefore the plaintiff must establish that in some sense he is carrying on a business with which the trade or public will be led to associate the defendant's activities.

In this case, as Mr. Kean very frankly accepted at the outset of his carefully set out submissions, we are not concerned with goods or with a business; nor was Mr. Kean able to say in the course of his submissions that there were any commercial activities carried on by what I refer to as his party. Of course his party may wish from time to time itself to enter into contracts for the hire of a hall or other facilities necessary for the operation of a political party, but that is not involving itself in a commercial activity in the sense which I have indicated. Such being the case, although Mr. Kean understandably drew our attention to a number of authorities which dealt with circumstances in which confusion can arise--circumstances in which despite the narrowness of the locality the remedy can still operate--he was unable to draw our attention to any situation where the remedy of bringing a passing off action has operated in a situation where there was no trade in the widest meaning of that word; no commercial activity carried on.

Accordingly, in my judgment, there is no basis in this case for a claim based upon the tort of passing off. The situation is simply that a non-commercial activity--a political party--is seeking to use the same name, the same initials, as a very small other such party with, so we are told, somewhat similar values and ideals. It does not provide a situation, in my judgment, in which there is any basis for contending that a tort has occurred, and in those circumstances in my judgment the learned judge was perfectly right to refuse an injunction.”

31. Mr Revill describes the applicants as “nowadays a registered charity”, and that they receive grants, but this does not appear to have been the position from start, at least there is no evidence that it was. That said, even though the performances of GREASE MANIA were not by a charity *per se*, but a provider of a service for the public good, such an organisation could still be called “charitable” in the normal sense of the word. The courts have been prepared to protect the goodwill of charities: See *British Legion v British Legion Club (Street) Limited* [1931] 48 RPC 555 at 562. In that case there was conclusive evidence that the plaintiffs had made extensive use of the name, and that it was widely known as a charitable organisation of some standing. In the *British Diabetic Association v The Diabetic Society* [1996] F.S.R. 1, Walker J stated:

“I conclude, therefore, that the scope of a passing off action is wide enough to include deception of the public by one fund-raising charity in a way that tends to appropriate and so damage another fund-raising charity’s goodwill—that is the other charity’s attractive force’ (see Lord McNaughton in *IRC v Muller and Co's Margarine* [1901] AC 217, 223) in obtaining financial support from the public.”

32. The Court considered the attractive force of the charities goodwill enabled them to raise funds for their good works, and that this could be damaged by another entity diverting funds. Damage could also occur by the second user being involved in activities that cause an adverse reaction by those who otherwise may have made a donation, or the charities ability to attract funding in the form of grants. In the present case there was a reputation that resulted in bookings, but no attractive force that brought in finance, at least not until the applicants began charging for their performances, and it is from that date that I consider the applicants began to accrue goodwill.

33. It would not be unreasonable to infer that at the date when they engaged the two booking agents, the applicants had some form of income, be it from grants, or more probably through admission charges for shows. However, it could be that the booking agents provided their service free to what they saw as a good cause; I do not know and Mr Revill does not provide any details. I therefore consider it to be safest to look to the evidence that shows the applicants to have staged a show under the name GREASEMANIA for which an admission fee was charged. This can be found in a poster forming part of Exhibit TR2. This promotes a GREASEMANIA performance at the Alexandra Theatre, Bognor Regis in February 2002. There is similar poster for a show held on 19 April 2002 at the Guinness Social Club Theatre, London. It would seem logical to infer that any later shows listed in the schedule exhibited as part of TR1 also levied an entrance fee. The applicants have not questioned the authenticity of these posters or that these and the other shows listed in the schedule took place.

34. Mr Revill says that this income was used to pay for personnel and equipment to continue the workshops, and no doubt contributed funds towards further performances. The fact that the service was being provided for altruistic reasons rather than profit does not mean that the applicants will not have derived any goodwill in the course of doing so.

35. To my mind there is sufficient evidence to be able to say that from at least as early as February 2002, the applicants began accruing goodwill in the name GREASEMANIA (primarily presented as one word but also as two) in relation the staging of a musical show. This has primarily been established in and around the London boroughs, but reaches out to other areas such as the Midlands and South West of England. The applicants' organisation may be small, and the extent of its goodwill difficult to assess, but that is of little or no consequence.

36. Given that this goodwill exists in essentially the same mark, and in relation to the same services as the registration in suit, it must follow that unless there is some reason otherwise, use by the registered proprietors will amount to a misrepresentation from which damage will inevitably follow.

37. The registered proprietors claim to have first used GREASEMANIA in relation to a show staged at the Empress Ballroom, Winter Gardens, Blackpool on 29 October 2003. In his evidence Mr Littlewood states that the show had been advertised for the previous two months, in support providing a poster which he shows as Exhibit SL1. It is, of course possible for goodwill to be generated by advance publicity (See *Allen v Brown Watson* [1965] RPC 191. However, Slade J in *My Kinda Bones v Dr Pepper's Stove Co.* [1984] FSR 289 pointed out that the *Allen v Brown Watson* case did not necessarily go any further than to show that with heavy pre-launch publicity a very short time on the market might be sufficient to support an action. This is a view endorsed by Jacob J in *Reed Consumer Books Ltd v Pomaco Ltd* [2000] FSR 734.

38. It is at this point that I need to refer to the applicant's challenges to Mr Littlewood's evidence, in particular the allegation found in paragraph 9 of Mr Revill's Statement, and in a letter from the applicant's representatives relating to the claimed staging of this show by the registered proprietors. Mr Littlewood says that the shows were successful prompting his company's decision to take the GREASEMANIA concept further. The letter recounts Mr Revill as having told his trade mark attorney that his investigations had revealed the shows to have been cancelled. The attorney quite rightly told Mr Revill that if this was to be relied upon in evidence they would either have to obtain an affidavit from the venue, or call Mr Littlewood for cross-examination; they did neither despite having the opportunity to do so in their later reply evidence or by requesting that a hearing be appointed.

39. It causes me some concern that having had the gauntlet thrown down, Mr Littlewood did not go to the venue and ask for the evidence that would prove, beyond doubt that the shows had taken place as claimed. He relied on a poster which as can be seen from his later evidence, is no proof that what is being advertised actually took place.

40. Mr Littlewood goes into some detail in setting out the arrangements for a nationwide tour

of the GREASEMANIA show scheduled to take place in late 2003 and in 2004. From a large list of potential venues said to have been approached, a group of 15 throughout England and Wales were to stage the show between 14 February and 3 July 2004. Exhibits SL3 and SL4 consist of a list of these venues and dates, and includes a draft press release and copies of promotional flyers. The list of venues includes the number of flyers produced for each venue, amounting to over 74,000 in total, with Exhibit SL5 consisting of examples of how the venues were to have promote the performances. However, following contact from the lawyers representing Clearchannel, the promoter of the Grease, Handshake decided to postpone the tour until registration of the trade mark had been achieved. A subsequent letter of complaint received in May 2004 from the applicants resulted in Handshake deciding to postpone further use of GREASEMANIA until these proceedings had been concluded. From this it is quite clear that none of the fifteen GREASEMANIA shows actually took place. There may well have been advance publicity, but as the case law above shows, advertising on its own does not generate goodwill, there has to be some delivery of the promoted goods, or in this case; the show must have gone on.

41. The question of whether the Blackpool shows in October 2003 did actually take place is all rather academic, for even if I accept that they did, by that time the applicants had performed at least fifteen shows and had built a goodwill in the name GREASEMANIA.

42. In his evidence Mr Littlewood mentions his becoming aware in April 2004, that one of the venues that had been on his company's schedule had arranged for a company called Chimes International Limited, and Mr John Hessenthaler to produce and perform a show under the name GREASEMANIA. This adds nothing to the case. Whilst Chimes withdrew the show from the theatres, it states that this is not because of the approach from Mr Littlewood's company, but because the show was not of a high enough standard. Mr Hessenthaler may have stated that he would not book any further GREASEMANIA shows, which could be interpreted as being an admission of the claims of Handshake. It could just as easily be that having become aware that Handshake had a trade mark registration for the name GREASEMANIA, Mr Hessenthaler did not wish to become embroiled in legal proceedings. Whatever is the case, Mr Hessenthaler's actions cannot be interpreted as an acceptance of Handshake's claims to the rights in GREASEMANIA, and certainly not by the applicants.

43. On the facts before me I find the applicants to have made their case, and that the ground under Section 5(4)(a) succeeds.

44. Whilst my findings under Section 5(4)(a) effectively decide the matter, for completeness I shall go on to determine the ground under Section 3(6) of the Act. That section reads as follows:

“3(6) A trade mark shall not be registered if or to the extent that the application is made in bad faith.”

45. In *Gromax Plasticulture Ltd v. Don & Low Nonwovens Ltd* [1999] RPC 367, Lindsay J. considered the meaning of “bad faith” in Section 3(6) of the Act and stated (at page 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 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.”

46. In *Harrison v. Teton Valley Trading Co* [2005] FSR 10, the Court of Appeal confirmed that bad faith is to be judged according to the combined test set out by the House of Lords in *Twinsectra v Yardley* [2002] 2 AC 164. Paragraphs 25 and 26 of the Court of Appeal decision are of particular assistance and read as follows:

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

“36. 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.”

47. Thus, in considering the actions of the registered proprietor, the test is a combination of the subjective and objective. Furthermore, it is clear that bad faith in addition to dishonesty, may include business dealings which fall short of the standards of acceptable commercial behaviour i.e. unacceptable or reckless behaviour in a particular business context and on a particular set of facts.

48. I am reminded of the comments of Nicholls LJ in the Privy Council judgment *Royal Brunei Airlines Sdn Bhd v. Tan* [1995] 2 AC 378, when he described dishonesty as “...to be equated with conscious impropriety”. This was in the context of accessory liability in the misapplication of trust assets to the detriment of a beneficiary. However, I think the same general principles would apply in trade mark law in the context of the current proceedings. He added:

“In most situations there is little difficulty in identifying how an honest person would behave. Honest people do not intentionally deceive others to their detriment. Honest people do not knowingly take others’ property The individual is expected

to attain the standard which would be observed by an honest person in those circumstances. It is impossible to be more specific. Knox J captured the flavour of this, in a case with a commercial setting, when he referred to a person who is “guilty of commercially unacceptable conduct in the particular context involved”: see *Cowan de Groot Properties Ltd v. Eagle Trust Plc* [1992] 4 All ER 700 at 761. Acting in reckless disregard of others’ rights or possible rights can be a tell-tale sign of dishonesty. An honest person would have regard to the circumstances known to him, including the nature and importance of the proposed transaction, the nature and importance of his role, the ordinary course of business, the degree of doubt Ultimately, in most cases, an honest person should have little difficulty in knowing whether a proposed transaction, or his participation in it, would offend the normally accepted standards of honest conduct.”

49. In the Privy Council judgment in *Barlow Clowes International Ltd v. Eurotrust International Ltd* [2005] UKPC 37, their Lordships took the opportunity to clarify the speculation that *Twinsectra* had changed the law. The judgment confirmed the House of Lords’ test for dishonesty that had been applied in *Twinsectra*, i.e. the combined test, and clarified their Lordships’ statement of that test by making it clear that an enquiry into a defendant’s views as regards normal standards of honesty is not part of the test.

50. The question I have to answer is whether in making the application, the now registered proprietor was acting in bad faith. This is an enquiry that I have to conduct on the facts as they would have been at the time of the act complained of, which is 6 November 2003.

51. Prior to making the application, Mr Littlewood says that he initiated prior rights investigations, both register and market based. This is one aspect of his evidence that has not been questioned. Mr Littlewood was apparently aware of the use of the name GREASE by a touring show, and GREASE MANIA as the name of a television show. It was only after receiving a complaint that Mr Littlewood decided that it was appropriate to consult the Performing Rights Society, who appear to have steered him clear of using the name in the same connection as the touring show and television programme, but giving him the all clear to do so in the form of a concert. For some reason the registered proprietors decided to postpone use until after they had achieved registration of the name as a trade mark; they do not say what influenced this action. On its face this could be taken as evidence that having taken advice they were well aware of a probable conflict with another right should they use the name as intended, that is in connection with a musical show, and that they intended to keep their powder dry until they had the defensive shield of a trade mark registration. This has the taint of an action in bad faith, but without more is little more than conjecture.

52. What is of more relevance is whether Mr Littlewood’s prior rights search would have revealed the applicants use of GREASEMANIA. Mr Revill says that his company’s has received publicity in The Stage, local newspapers and through its performances. The evidence provided in this connection is primarily performance-related material such as posters etc. There is nothing from The Stage. The non-performance related material is focussed on the voluntary and community sectors that the applicants’ company was set up to support. I see no good reason why Mr Littlewood or his company should have encountered this in their day to day activities.

53. Perhaps the one area where the paths could be expected to have crossed is in the venues and booking agencies. There is, in fact one instance where this occurred. However, at the relevant date the registered proprietors had arguably only run two performances in a single venue and were not actually out there looking for bookings, which to my mind negates the possibility of them becoming aware of the applicants via this route.

54. Taking all of the facts, I do not see that I can conclude that the registered proprietors acted in bad faith in making the application to obtain the registration that they now possess, and the ground under Section 3(6) is dismissed.

55. The application having succeeded, the applicants are entitled to a contribution towards their costs. I order the registered proprietors to pay the applicants the sum of £2,750 as a contribution towards their costs. This sum is 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 21st day of August 2007

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