

O-328-07

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO 2337786A  
BY BREAKTHROUGH BREAST CANCER, BREAST CANCER CARE,  
BREAST CANCER CAMPAIGN TO REGISTER THE TRADE MARK  
PINK RIBBON IN CLASS 16**

**AND**

**IN THE MATTER OF OPPOSITION NO 93217A BY  
GERARD DUGDILL**

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### **BACKGROUND**

1. On 14 July 2003 Breakthrough Breast Cancer, Breast Cancer Care and Breast Cancer Campaign (jointly) applied to register the mark PINK RIBBON. It was originally applied for in some eight classes of the international classification system but has since been divided. This opposition concerns one Class only (Class 16) for the following goods.

“Paper, cardboard and goods made from these materials, not included in other classes; printed matter; printed publications; bookbinding material; photographs; stationery; adhesives for stationery or household purposes; artist' materials; paint brushes; typewriters and office requisites (except furniture); instructional and teaching material (except apparatus); plastic materials for packaging; printers' type; printing blocks.”

2. On 21 February 2005 Blue Moon Publishing filed notice of opposition to this application. Mr Dugdill has since been substituted as opponent (a state of affairs that was confirmed by letter from the Registry dated 16 December 2005 following exchanges between the parties and the Registry).

3. There are two grounds of opposition under Sections 3(6) and 5(4)(a). The background circumstances are described as follows:

“The trade mark has been used on Class 16 goods, particularly magazines, since 1999. It was first used by Pacific Contract Publishing Limited who published the first edition of a magazine bearing the trade mark (namely Pink Ribbon Magazine). Subsequent publications were made by subsidiary and/or related companies namely Pacific (2000), Pacific Media Limited (2001) and Pacific Media Active Limited (2002).

On 18 February 2003 the publishing rights in Pink Ribbon Magazine, and the common law rights in the trade mark were transferred to the Opponent by the liquidators of Pacific Media Active Limited, Poppleton and Appleby. The Opponent published a magazine bearing the trade mark in September 2003 together with a subsequent publication in 2004. Two editions are being prepared for 2005 as the magazine become biannual.”

4. This trade forms the basis of a claim to goodwill which in turn founds the claim that registration of the application in suit is liable to be prevented by virtue of the law of passing off.

5. It is further said that:

“During the year of 1999 the Applicants collaborated with Pacific Contract Publishing Limited, the original owners of the common law rights in the trade mark. The Applicants benefited from funds received from the sale of goods bearing the trade mark. In subsequent correspondence with the Opponent, the Applicant acknowledged the existence of the magazine bearing the trade mark and the Opponent’s rights therein.

More recently there was discussion of a possible collaboration between the Opponent and the Applicant in respect of the Opponent’s publication of magazines bearing the trade mark, but the Applicant subsequently withdrew from the negotiations.”

6. These circumstances form the basis of the claim that the application was filed in bad faith and ought to be refused under Section 3(6).

7. The applicants filed a counterstatement denying the above claims. The counterstatement is a lengthy document. It deals in part with claims relating to the relationship between the various publishers mentioned by the opponent and Blue Moon Publishing. This appears in part to be based on a misunderstanding of the nature of the opponent’s claim. Other issues are raised regarding devolution of title to Blue Moon Publishing.

8. In relation to use of PINK RIBBON the applicants say

“It is submitted that, in 1999, when Pacific Media UK Limited published the first PINK RIBBON magazine, the concept of a pink ribbon – most frequently represented by a loop of ribbon formed by crossing over the ends of the ribbon or as a picture of such a ribbon loop – was already well known and associated with fund raising, education, awareness and research into the causes of and treatments for breast cancer and information and support for breast cancer sufferers. The Pink Ribbon, as a symbol of breast cancer awareness was launched in the USA in 1991 and has been used widely in the UK by breast cancer charities since the mid-1990s. The Applicants were by 1999 already using the concept of a pink ribbon to promote breast cancer awareness. Had this not been the case, there would have been little purpose in Pacific Media UK Limited adopting the title PINK RIBBON for its magazine. Indeed, the first edition of PINK RIBBON magazine (1999) was produced with the collaboration of all three of the Applicants as is admitted in the notice of opposition at paragraph 7 thereof and evidenced by the use on the cover of the magazine of the logos of the Applicants. This collaboration ceased after the Applicants started to become concerned about the volume of advertising revenue derived by Pacific Media UK Limited from publication of Pink Ribbon magazine and the commercial sponsorship which was raised for the magazine and events surrounding the magazine, which was not passed on to

the charities and which was felt to be at odds with the charitable nature of Breast Cancer Awareness Month. The Applicants declined to collaborate with the 2000 edition of the magazine. As a result, the directors of Pacific Media Active Limited were instrumental in the establishment of the Pink Ribbon Foundation as a Registered Charity in May 2000 to receive a proportion of the selling price of the PINK RIBBON magazine.

To the best of our knowledge and belief, Pacific Media UK Limited published at most three editions of the magazine PINK RIBBON each timed to coincide with and benefit from the Breast Cancer Awareness Month promoted primarily by the Applicants in October of each year, before going into liquidation in 2001. In 2002, Pacific Media Active Limited published a single edition of PINK RIBBON magazine, again, to coincide with the Breast Cancer Awareness Month promoted by the Applicants. Subsequently, in December 2002, the Charities commission opened inquiries into Pacific Media Active Limited and Pink Ribbon Foundation, the registered charity to which Pacific Media Active Limited purported to be making charitable contributions from the sales of PINK RIBBON magazine. Pacific Media Active Limited itself went into liquidation in January 2003.

Since early use of the title PINK RIBBON by Pacific Media UK Limited was made with the collaboration of all three of the Applicants and in association with Breast Cancer Awareness Month, it is denied that Pacific Media UK Limited acquired any reputation, or goodwill associated with that reputation distinct from the goodwill of the breast cancer charities, generally, and Breast Cancer Awareness Month, in particular, arising from use of the concept of a pink ribbon to promote awareness of breast cancer. It is denied that the name PINK RIBBON is associated in the minds of the public with Pacific Media UK Limited, Pacific Media Active Limited or the Opponent; rather the PINK RIBBON magazine, if it is recognised at all, is likely to be associated with raising awareness of breast cancer, fundraising for research into the causes of and treatments for breast cancer and information and support for people affected by the disease and perceived as an adjunct to the fundraising activities of the Applicants and other charities interested in breast cancer causes generally and, specifically, with Breast Cancer Awareness Month.”

9. It is further submitted that, given the conduct of Pacific Media Active Limited (the issues arising from the Charities Commission inquiry), any goodwill which might have been acquired is tainted and does not satisfy the requirement that the party seeking relief must come with clean hands.

10. In relation to the bad faith claim the applicants say:

“It is admitted that during 1999 all the Applicants collaborated with Pacific Media UK Limited (formerly Pacific Contract Publishing Limited). However, that collaboration concerned the promotion of Breast Cancer Awareness Week in the PINK RIBBON magazine. As mentioned above, that collaboration ceased after the Applicants became concerned as to Pacific Media Active Limited’s motives and conduct. By that time, the pink ribbon concept was firmly established as denoting breast cancer awareness and was more strongly

associated with the Applicants than with the Opponent. As mentioned above at paragraph 4, the Pink Ribbon, as a symbol of breast cancer awareness was launched in the USA in 1991 and has been used widely in the UK by breast cancer charities since the mid-1990s.

It is further admitted that, at the date of filing the application the Applicants were aware of the existence of the PINK RIBBON magazine. That awareness was, indeed, a factor which led to the filing of the application as a means to ensure that the Applicants could not be prevented from continuing to use the mark PINK RIBBON freely in association with breast cancer causes and to prevent unauthorised and inappropriate use of the name PINK RIBBON, (which was clearly associated with breast cancer awareness in the minds of the public) and its exploitation for commercial purposes by commercial third parties. The Applicants intend to license use of the mark – as they already do in other commercial fields – but are seeking registration to assist in preventing further usages of the kind criticised by the Charities Commission in its inquiry into Pacific Media Active Limited. It is submitted that seeking registration with a view to preventing the Applicants’ own reputations and activities being tarnished by association by such bad faith activities as those perpetrated by Pacific Media Active Limited does not in itself constitute bad faith. In any event, filing an application to register a ‘common law mark’ with a view to making the prevention of unauthorised use of that mark by a potential infringer continuing is not be regarded as bad faith. At the time of filing the application, the Applicants had already acquired through their own use extensive rights in the concept of a pink ribbon and various representations thereof for a wide range of goods and services arising from their fundraising and promotion activities.”

### **The evidence**

11. For the record the evidence filed in this case is as follows:

#### **Opponent’s evidence in chief**

Witness statement of Gerard Dugdill with exhibits GD1-GD5

#### **Applicants’ evidence in support**

Witness statement of Linda Jane Harland with exhibits LJH1-LJH5

Witness statement of Linda Jane Harland with exhibit LJH6

#### **Opponent’s evidence in reply**

Witness statement of Gerard Dugdill with exhibits GD1 new, GD6-GD21

#### **Opponent’s further evidence**

Witness statement of Gerard Dugdill with exhibit GD22

12. I will draw on relevant parts of the evidence in the decision that follows but do not propose to summarise it here.

## Written submissions

13. Neither side has requested a hearing. Both sides have filed written submissions. These have come in in a piecemeal and somewhat unsatisfactory manner largely as a result of matters occurring at the end of the period originally set for written submissions. They are:

Mr Dugdill – 28 June 2007 (first set of submissions)  
Reddie & Grose (for the applicants) – 28 June 2007  
Mr Dugdill – 10 July 2007 (second set of submissions)  
Reddie & Grose – 23 October 2007 (second set of submissions)  
Mr Dugdill – 26 October 2007 (third set of submissions)

Mr Dugdill's second set of submissions appear to have been filed by way of response to the applicant's submissions. There is in the normal course of events no such thing as 'submissions in reply'. The submissions also ran to 70 pages and, not surprisingly, drew a response from the applicants' representatives suggesting that the submissions were out of time and should be excluded from the proceedings. In the alternative the applicants requested an opportunity to comment on the opponent's points. Further exchanges ensued with the Registry. In the event Mr Dugdill's second set of submissions were admitted into the proceedings. The applicants filed no further submissions of their own at that point in time. As a result of further evidence filed by Mr Dugdill at a late stage the parties were given an opportunity to make further submissions but only in relation to the further evidence. The written submissions that were filed as a result went far beyond the confines of dealing with the further evidence. I have borne in mind all the evidence and submissions (save to the extent that the final sets of submissions were more wide-ranging than they should have been) in reaching my own view of the matter.

14. More generally, I consider that Mr Dugdill's submissions and reply evidence have contained unnecessary summaries and repetition of the position in the case as he sees it. This has made the proceedings more protracted than they needed to be. I appreciate that he has represented himself for most of the time that the case has been extant. However, he is clearly not unfamiliar with legal processes and has, for instance, shown himself well able to identify relevant case law. It is not usually helpful for the parties to summarise and repeat points that have been made in evidence or earlier submissions. Mr Dugdill may find it useful to bear in mind in any other actions in which he is involved that the tribunal will generally prefer to reach its own view on what it considers to be relevant facts and submissions and will take them into account in the decision.

## DECISION

15. The position that emerges from the evidence is that Pink Ribbon is the name of a magazine that has been published once a year since 1999. It is published to coincide with Breast Cancer Awareness Month which is held in October each year. Copies of the magazine for each year between 1999 and 2004 are exhibited to Mr Dugdill's reply evidence (GD6). As might be expected from a magazine that, unusually, is only published once a year, each issue is of substantial size, typically running to 150 to 200 pages. The magazines contain a mixture of articles covering what are commonly

called lifestyle topics (fashion, interiors, music, food) as well as general health matters and, specifically, material linked to Breast Cancer Awareness Month. The cover price of the magazine has increased over time from £2.45 in 1999 to £3.95 in 2004.

16. It has been a feature of the magazine's business model that a proportion of the cover price of each magazine that is sold goes to charities involved in breast care work. The applicant charities benefited from this association in 1999. The 2004 magazine cover indicates that the charities to be supported that year were Breast Cancer Haven, the Cancer Resource Centre and Positive Action on Cancer. In the intervening years the Pink Ribbon Foundation, itself a charity, was the immediate beneficiary.

17. There have been successive publishers of the magazine, an issue that I need to touch on in greater detail below. The first publisher was Pacific Contract Publishing Ltd. Directors of that company established the Pink Ribbon Foundation in 2000 to act as the recipient for monies collected from the sales of magazines bearing the trade mark. The magazines themselves record either on their cover or in the small print that this is the case.

18. Exhibit GD2 to Mr Dugdill's evidence in chief is a copy of a witness statement filed in support of his own application to register the mark PINK RIBBON for magazines and other Class 16 goods. Unfortunately, only a small selection of the 12 exhibits to that witness statement has been filed in this inter partes action. The statement is, however, useful in giving some idea of the size of the business. Turnover figures from 1999 onwards are given as follows:

<b>Year</b>	<b>£ Sterling</b>
1999	245,000
2000	280,000
2001	340,000
2002	449,000
2003	165,000
2004	115,000
2005	360,000 (projected)

19. Some £10,000 per annum was spent on advertising in each of the years 2003 and 2004. Mr Dugdill says that the magazine has been extensively promoted on a national scale through newspapers, magazines, trade press, TV and radio. The annual launch party is said to have received considerable publicity and to have been attended by many prominent public figures and celebrities though I have not seen the exhibits supporting these claims.

20. The applicants have not disputed the fact of the magazine's existence but challenge the opponent on a number of fronts. These can be summarised as follows:

- (i) there have been a number of different publishers over the years such that it is not clear that goodwill in the business conducted under the mark would have passed to Mr Dugdill or his company.

- (ii) searches conducted on behalf of the applicant charities suggest that internet references to the PINK RIBBON magazine do not refer to the publisher or suggest that the magazine has a reputation or identity separate from that of Breast Cancer Awareness Month (BCAM).
- (iii) BCAM takes place each year in October. A large number of charities including the applicants work to raise funds for breast cancer research and treatment. Many events are held which refer to the 'pink ribbon' motif. Use of the name PINK RIBBON simply served to indicate that the magazine was concerned with fundraising for breast cancer causes rather than indicating trade origin.
- (iv) any claim to goodwill arising from the publication of early editions of the magazine by Pacific Media UK Limited is tainted because of the behaviour of the opponent's predecessors in title. As a consequence there are no enforceable passing off rights.

21. I propose to deal with these points before reaching conclusions on the opponent's claim to goodwill under the sign PINK RIBBON.

#### **The successive publishers of the magazine**

22. The applicant's underlying concern is over the question of whether devolution of title to any goodwill has been established. The parties' evidence and claims in relation to the companies that published the magazine can be found in paragraph 2 of Exhibit GD2 to Mr Dugdill's evidence in chief and Ms Harland's witness statement of 17 July 2006 supported by Exhibits LJH1 to 3. These latter exhibits consist of printouts from the Companies House website giving information on the companies concerned. This information does not deal with trading activity as such but is a useful cross-check against the information contained in the magazines themselves (Exhibit GD6) which, as is the custom with such publications, contain details of inter alia who the publishers are.

23. The Companies House records yield the following

- (i) Pacific Contract Publishing Limited (previously Lionhope Inc. Ltd) was incorporated on 10 December 1993. It changed its name to Pacific Media UK Ltd on 27 December 2000 and is shown as having been dissolved on 4 September 2003.
- (ii) Pacific Media Active Limited was incorporated on 10 October 2001. It is now recorded as being in liquidation.
- (iii) Blue Moon Publishing Limited - the annual return that has been filed in evidence is made up to March 2005 but does not disclose date of incorporation.



24. The successive issues of the magazine show the following as being publishers:

1999 - Pacific Contract Publishing Ltd  
2000 - Pacific Contract Publishing Ltd  
2001 - Pacific Media UK Ltd  
2002 - Pacific Media Active Ltd  
2003 - Blue Moon Publishing  
2004 - Blue Moon Publishing

25. On the basis of the above it is possible to conclude that there is no inherent inconsistency between the information in Companies House records and that contained in the magazines (or the claims in paragraph 2 of Exhibit GD2 to Mr Dugdill's statement). It also follows from the above that three legal entities have acted as publisher of the magazine (Pacific Media UK Ltd being simply a name change).

26. Mr Dugdill's reply evidence deals in paragraph 8 with the change of ownership between Pacific Media UK Ltd and Pacific Media Active Ltd. He notes that the company principals were the same (the directors being Peter Vahdaty and Keith Shepherd); that the share ownership was the same with Mr Vahdaty owning 70% and Mr Shepherd 30%; and that both companies operated in the printing/publishing field. He suggests that it should be safe to infer, in the absence of any evidence to the contrary, that there was a transfer of assets between the two companies including the rights to publish PINK RIBBON including the goodwill.

27. Although on the face of it that seems an attractive submission I am by no means clear that it is in itself enough for me to be satisfied that goodwill was transferred. It could have been that the successor business did not have the benefit of Pacific Media UK Ltd's goodwill and instead started to generate a separate goodwill of its own. Furthermore, the mere fact that two legal entities were constituted in identical ways in terms of directors and shareholding structure might mean no more than that this represented the preferred modus operandi of the controlling minds behind the companies but that separate businesses were involved.

28. However, there is a further piece of evidence bearing on the point. This is a letter from Bridgers, Insolvency Practitioners dated 25 January 2007 (Exhibit GD7) the substance of which reads:

"I can confirm that certain of the assets of Pacific Media UK Limited were sold subject to contract to Pacific Media Active Limited.

The agreement deals with Intellectual Property Rights and Goodwill. Included in the definition is "Magazine means the Pink Ribbon and Aware Magazines published by the vendor in the business and the Sport Magazine, which has not been published yet by the vendor in the business."

29. It would in my view have been preferable if the author (a Mr J A Kirkpatrick) had been invited to submit his statement in formal evidential form. As matters stand he is not a witness in the proceedings and his evidence cannot be tested in cross-examination. However, no point has been taken by the applicants in relation to the

form of the statement. The Registrar does not appear to have objected on this occasion but may do so in similar circumstances in future. I am satisfied on the basis of the material before me that goodwill in the business conducted under the sign PINK RIBBON passed to Pacific Media Active Ltd.

30. Thereafter, the goodwill is said to have passed to Blue Moon Publishing Limited, Mr Dugdill's company. The evidence for this consists of the exchanges in Exhibit GD9. The transfer took place in February 2003. Pacific Media Active Ltd was at that time in liquidation. The key documents in GD9 are a letter of 14 February 2003 from Poppleton & Appleby, who are insolvency Practitioners, to Mr Vahdaty and a letter from Mr Vahdaty dated 18 February 2003 to Kamala Panday, a director of Blue Moon Publishing.

31. The Poppleton & Appleby letter reads in substance:

“I refer to the above matter and would confirm, as requested, that your offer for the acquisition of the subject company's assets was acceptable and the agreed consideration having now been paid, you have good title to those unencumbered assets as detailed previously in correspondence with the liquidator's agents, Rosan & Co.

I would further confirm that the assets concerned include whatever rights the subject held in respect of the IPR in the titles 'Pink Ribbon' and 'Aware'.”

32. The letter from Mr Vahdaty confirms that, having had his offer for the company's assets accepted, the intellectual property rights and goodwill have in turn been passed onto Blue Moon Publishing. I am satisfied, therefore, that any goodwill in the sign PINK RIBBON passed to Mr Dugdill's company.

### **No consumer connection between the magazine and the opponent**

33. There are two prongs to this argument. Firstly, that internet references do not or do not always refer to the publisher and secondly that the magazine does not have an identity separate from Breast Cancer Awareness Month. The basis for the first of these claims is Exhibit LJH4 to Ms Harland's evidence. Strictly the last of the printouts contained in the exhibit does refer to Mr Dugdill. The others do not mention Mr Dugdill or Blue Moon Publishing. There is nothing surprising in this. Why would articles that contains passing references to PINK RIBBON magazine need to refer to the publisher. The nature of the references is such that it would be unnecessary to include publisher details (not least because one normally goes to a newsagent or other retailer to buy a magazine not the publisher).

34. More fundamentally, as Mr Dugdill points out in his first set of submissions, it is not necessary that the relevant public is aware of the identity of the supplier of the goods or services – see the following pages from Lord Oliver's speech in *Reckitt & Coleman Products Ltd v Borden Inc & Others* [1990] R.P.C. 341 at page 406:

“Whether the public is aware of the plaintiff's identity as the manufacturer or supplier of the goods or services is immaterial, as long as they are identified with a particular source which is in fact the plaintiff. For example, if the

public is accustomed to rely upon a particular brand name in purchasing goods of a particular description, it matters not at all that there is little or no public awareness of the identity of the proprietor of the brand name.”

35. The further suggestion is that the magazine has no existence outside the context of Breast Cancer Awareness Month.

36. It is true that the magazine is produced to coincide with BCAM. It both benefits from the more general publicity surrounding BCAM but also contributes to awareness of the issues that BCAM is intended to foster. It is in principle immaterial whether the magazine is also involved in raising money for charitable causes associated with breast cancer. That is simply the business model that has been adopted by the publishers of the magazine but it is not a requirement.

37. If I have read the applicants’ evidence correctly, there is no suggestion that all or any of the charities that have been associated with or benefited from the magazine over the years claim to be the publishers. It is not clear whether there is a central organiser of BCAM or whether it is simply a loose designation employed by breast cancer charities to provide a focus and stimulus for their fund raising and awareness activities.

38. There is no suggestion in the magazine ‘contributor’ pages that BCAM, the Pink Ribbon Foundation or anyone other than the successive publishers are behind the magazine in the sense of holding themselves out as being responsible for the publication. The successive publishers have not just been contract printers they have been the originators of the magazine and, in my view, are fully entitled to claim the benefit of any resultant goodwill arising from that trade.

### **Pink Ribbon as a motif associated with breast cancer causes**

39. The suggestion here is that PINK RIBBON simply serves to tell people that this is a magazine concerned with awareness/fund raising for breast cancer causes rather than indicating trade origin. This is a somewhat difficult point for the applicants as they have applied for the selfsame goods (notably printed matter, printed publications and such like) themselves. If they are right the point would apply with equal force to their own position. There is an attempt in the applicants’ written submissions (albeit in relation to the Section 3(6) ground) to explain and justify their apparently contradictory stance:

“The purpose of the Application was to protect *bona fide* charities involved with such activities against the activities of third parties seeking to take commercial advantage of, in particular, Breast Cancer Awareness Month. The purpose of registration was to allow the Applicants’ to control use of a mark which had, by the date of application, become inextricably linked with Breast Cancer Awareness Month, with fundraising for charity and with awareness of breast cancer-related issues.”

40. It is not seriously disputed that the use of pink ribbons has become something of an emblem for breast cancer awareness and the charities operating in this field. The use of a ribbon and pictures of ribbons feature in material associated with breast

cancer campaigns. Mr Dugdill concedes that “[T]he magazine is called PINK RIBBON so people will recognise it as raising awareness of breast cancer .....

41. The position is, therefore, that the words PINK RIBBON describe a device that is used as an emblem of breast cancer charities. The words are not directly descriptive but are likely to serve as a clear indication of the area of interest of the magazine. There is no absolute bar against even strongly descriptive words achieving recognition sufficient to support a passing off action (see, for instance, *Reddaway v Banham Camel Hair Belting* 13 R.P.C. 218). A more recent example can be found in *Mecklermedia Corp. v D.C.Congress Gesellschaft mbH* [1997] F.S.R. 627 where in relation to the use of the sign Internet World in relation to trade shows it was said:

“I think here the words are to some degree descriptive though not wholly so. "Internet World" is not so descriptive that people familiar with past trade shows under that name would not expect further "Internet World" trade shows to be run by the same people who used that name in the past. On the contrary I think, prima facie, they would.”

42. I consider that to be the position here. Magazine titles because of the nature of such publications frequently employ descriptive indications in their title. That state of affairs is no doubt driven by the need to immediately convey to consumers the subject matter of the publication (much the same is likely to be true of trade shows as shown in the Internet World case). It will be a question of fact in each case whether any particular title has become distinctive of the party concerned (see the discussion of magazine title cases in Wadlow’s *The Law Of Passing-Off*, third Edition, at 8-102 et seq). I find that the words PINK RIBBON undoubtedly allude to the underlying subject matter of the magazine but are not so directly descriptive that they are incapable of acquiring a secondary meaning denoting the goods of a single undertaking. The successive publication of an annual magazine in circumstances such as those described in this case has established the capacity to establish the goodwill necessary to found an action for passing off. Subject to my consideration of the applicants’ other main criticism below, I hold this to be the case.

### **Tainted goodwill?**

43. For reasons which I will go on to explain the applicants suggest that any goodwill arising from use of PINK RIBBON in relation to a magazine has been tainted as a result of the actions of one of the previous proprietor/publishers. The counterstatement refers to a Charities Commission inquiry into Pacific Media Active Ltd and Pink Ribbon Foundation. Ms Harland’s witness statement of 13 October 2006, on behalf of the applicants, exhibits a Daily Mirror article of Friday 11 October 2002 dealing with certain allegations about the operation of Pacific Media UK Ltd/Pacific Media Active Ltd, their directors and the Pink Ribbon Foundation of which the individuals concerned were trustees. The three applicant charities are referred to in the article as having chosen not to work with Pacific Media Active Ltd as a result of the perceived problems. The main allegations appear to relate to the fact that the directors of the publishing companies had a dual role as trustees of the charitable foundation (Pink Ribbon Foundation); that only a fraction of the money raised from the sale of the magazine went to charitable causes; that advertising

revenue went to Pacific Media Active Ltd rather than the Foundation; and that Pacific Media UK Ltd collapsed with considerable debts.

44. Mr Dugdill's reply evidence subsequently exhibited, at GD20, a copy of the Charity Commission report into Pacific Media Active Limited. A separate report into Pink Ribbon Foundation is referred to but has not been exhibited. The relatively short report records that the aims of the inquiry were:

- Establishing whether Pacific was misleading the public or advertisers by suggesting that more money was being donated to charity than it was,
- Ensuring the separation of Pacific's interests from those of the Charities,
- Investigating the extent and nature of the cause-related marketing agreements entered into by Pacific and the Charities and ensuring the Charities received full and fair benefit from them,
- Establishing whether any payments had been made from the charities to Pacific in respect of administration services provided and,
- Determining Pacific's relationship, if any, to the Sports Foundation.

45. The inquiry found that:

"11. Copies of contracts between Pacific and magazine advertisers given to Commission officers did not suggest that advertising revenue received would be donated to charity and the cover of the magazines clearly stated that £1 of the cover price would be donated to charity. There was no evidence to suggest that Pacific had deliberately misled the public or advertisers. However, Pacific received a relatively large income from advertising contracts compared to the income the charities received from magazine sales as circulation levels were low."

46. Other findings were made in relation to the Directors' continued involvement in the administration of Pink Ribbon Foundation after their resignation as trustees and issues to do with administration expenses. These matters have no obvious relevance to the issue before me.

47. Wadlows (supra) indicates at 9-44 that "the claimant in an action for passing-off or injurious falsehood cannot claim the protection of a court for whatever is illegal, fraudulent or deceptive". Wadlows goes on to discuss the nature of any misrepresentations made by a claimant/opponent that might bring the defence of *ex turpi causa non oritur actio* (the doctrine that an action may not be founded on an illegality) into play. The key points seem to me to be as follows (footnotes omitted):

"Not all misrepresentations by the claimant are of equal significance. For the defence to be made out two criteria must be satisfied. One is that the misrepresentation must be one which would come to the attention of the

relevant public, or in some cases competitors, and be really likely to deceive. If the misrepresentation is that a trade mark is registered then competitors would be the only relevant misrepresentees, and similar issues apply to some extent with a misrepresentation that goods are patented. The other is that there must be a close connection between the rights the claimant seeks to protect and the conduct said to disentitle him to protection. Mere “puffing” has been treated as innocuous.” (9-45)

“A claimant will not be deprived of relief as a result of having made misrepresentations which are merely collateral to the trade sought to be protected.” (9-47)

“The fundamental question in every case is whether the claimant is attempting to protect a part of his trade based on a misrepresentation of his own.” (9-47)

“The “clean hands” defence is not confined to cases of misrepresentations associated with the claimant’s mark itself, although those are the most common. In *Lee v Haley* it was said that an injunction would have been refused if the defendant had made good an accusation that the plaintiff habitually sold short weight, although by modern standards this would at first sight be going too far. There must be a connection of some sort between the plaintiff’s misconduct and the cause of action.” (9-60)

48. The cases discussed in paragraphs 9-41 to 9-62 of Wadlows include a number where the misrepresentation was inherent in the mark itself (Cuban indicia on a cigar box to take one of the examples quoted). There is no such misrepresentation in the sign PINK RIBBON. On the contrary it is an indication of a connection with breast cancer issues and that is precisely what the magazine offers. Nevertheless, it is clear that collateral issues may be relevant if there is a sufficiently close connection with the cause of the action.

49. It has been an enduring feature of the magazine that part of the cover price will go to charitable causes (either the Pink Ribbon Foundation or named charities). It seems to me that for many purchasers the statement on the cover of the magazine will have acted as a key inducement to purchase the publication. The fact that magazine sales were to contribute to charitable causes may also have influenced advertisers to take space in the magazine. A number of the advertisements link the advertisers with worthy causes (see for instance pages 8, 23, 25, 36 etc of the 2002 edition) though it is important to note that there was no suggestion that advertising revenue or a proportion thereof would go to charitable causes (see the findings of the Charities Commission report).

50. Nevertheless, the clear commitment to denote a fixed sum from the cover price of the magazine to charitable causes was and remains a key part of the business model of the magazine. A failure to honour to that commitment, if proven, would in my view have the capacity to be a relevant collateral factor that might tarnish the goodwill of the business. The goodwill would have been founded on a misrepresentation albeit not one that was or is inherent in the name itself.

51. That brings me back to the evidence on the point. The Daily Mirror article was clearly written as a piece of investigative reporting but in the nature of such reporting it is bid by tabloid and represents a one-sided view of the issues. The Charities Commission inquiry concluded that there was no evidence to suggest that Pacific Media Active Ltd had deliberately misled the public or advertisers. The inquiry noted that the magazine received a relatively larger return from advertising income than the income received by charitable causes from the contribution from the cover price. But that seems to me to fall well short of establishing actions or behaviour that would lead to a finding that the goodwill of the business was in some way tainted particularly as there was no suggestion that advertising income or a proportion thereof would go to charitable causes.

### **Conclusions on passing off**

52. The relevant part of the statute. Section 5(4)(a) reads as follows:

“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.”

53. The requirements for a passing off action can be summarised as being:

- (1) that the opponent’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 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 opponent; and
- (3) that the opponent has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the applicant’s misrepresentation.

54. The relevant date, in the absence of any competing earlier claim on the part of the applicants, is 4 July 2003. The earlier right must have been acquired prior to that date (Article 4.4(b) of First Council Directive 89/104). By that date there had been four editions of the magazine with a fifth in preparation. If the matter is to be judged on the basis of the sale figures alone the magazine had been enjoying increasing success up to that point. The magazine is a publication of some substance. The 2002 edition had over 250 pages. It attracted high-profile advertisers – the first few pages alone contain advertisements for L’Oreal, Toni & Guy, Ford, Dior, Paul Mitchell. The rest of the magazine is in a similar vein. I have no doubt that the business generated

goodwill. The mere fact that it appeared once a year only to coincide with BCAM does not detract from that finding.

55. The applicants have commented that the mark is not used on any goods other than magazines. That point is disputed by Mr Dugdill who says it is used on, for example, media packs and event brochures. That may be so but these items are, I think, in the nature of promotional adjuncts to the trade in magazines. On the evidence before me I am not prepared to say that the goodwill is based on a wider trade in goods though that is not to say that the goodwill is to be regarded as restricted in its effect solely by reference to the goods on which the sign has been used.

56. Once that position is reached the issues of misrepresentation and damage do not call for detailed comment at least not so far as the core goods are concerned. Use of an identical mark in relation to printed matter and printed publications (terms that would include magazines and closely similar goods) would be bound to constitute a misrepresentation leading to damage to the opponent's goodwill. Mr Dugdill has referred in his first set of submissions to *Draper v Trist and Tristbestos Brake Linings Ltd* 56 [1939] R.P.C. 429 in support of the proposition that in a *quia timet* action it is clearly not possible to show that actual damage has been suffered. Reference may also be made to the *Internet World* case (supra) where it was held in relation to damage:

“What about the third element of the trinity, damage? Miss Jones says none has been proved. Now in some cases one does indeed need separate proof of damage. This is particularly so, for example, if the fields of activity of the parties are wildly different (eg *Stringfellow v McCain Foods (GB) Ltd* [1984] R.P.C. 501, CA, nightclub and chips). But in other cases the court is entitled to infer damage, including particularly damage by way of dilution of the plaintiff's goodwill. Here I think the natural inference is that Mecklermedia's goodwill in England will be damaged by the use of the same name by DC. To a significant extent Mecklermedia's reputation in this country is in the hands of DC – people here will think there is a trading connection between the German and Austrian fairs and the Mecklermedia's fairs.”

57. That was a case where both parties were using the same mark, Internet World, in relation to trade fairs. The applicants' written submissions suggest that they acknowledge the force of the opponent's case if I am against them on the question of goodwill. On the other hand the applicants do not concede the position in relation to the balance of the goods in the specification which for the record are:

“Paper, cardboard and goods made from these materials, not included in other classes; bookbinding material; photographs; stationery; adhesives for stationery or household purposes; artist' materials; paint brushes; typewriters and office requisites (except furniture); instructional and teaching material (except apparatus); plastic materials for packaging; printers' type; printing blocks.”

58. Although these goods appear in the same Class of the international classification system they are generally some way removed from magazines and printed matter. The opponent's trade is a very narrowly directed one. I can see no reason why, given



the accepted allusive nature of the sign PINK RIBBON in the charity field, the opponent's goodwill should be taken to extend to the areas of trade represented by the balance of the Class 16 specification. The result is that the opposition succeeds in relation to printed matter and printed publications but fails in relation to the remaining Class 16 goods.

### **Section 3(6)**

59. Section 3(6) provides that a trade mark shall not be registered if or to the extent that the application is made in bad faith. In *China White* [2005] FSR 10, the Court of Appeal decided that the 'combined test' they understood to have been laid down by the House of Lords in *Twinsectra v Yardley* [2002] 2 AC 164, should be applied in deciding cases under Section 3(6) of the Act. In *Barlow Clowes International Ltd v Eurotrust International Ltd* [2006] 1 Lloyd's Rep 225, the Privy Council clarified that the House of Lords' judgment in *Twinsectra* required only that a defendant's state of knowledge was such as to render his action contrary to normally accepted standards of honest conduct. There is no additional requirement that a defendant (or applicant in trade mark proceedings) must also have reflected on what the normally accepted standards were. The applicability of these principles to trade mark cases has since been confirmed in *Ajit Weekly Trade Mark* [2006] R.P.C. 25. The standard itself is that set down in *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] R.P.C. 367. It includes dishonesty but also includes some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined.

60. The opponent's complaint is that the applicants applied for the mark PINK RIBBON knowing of the earlier right. The basis for this claim is that the applicants collaborated with Pacific Contract Publishing Ltd, the original publishers. Furthermore, they are said to have acknowledged the existence of the magazine and hence the earlier right in subsequent correspondence. There is also said to have been more recent discussion (with one of the charities at least) about a possible collaboration.

61. The applicants' counterstatement concedes that they collaborated with the magazine publisher during 1999 and also that they continued to be aware of the existence of the magazine at the date of filing the application. In their defence they say that the pink ribbon concept was more strongly associated with the applicants than the opponent and that PINK RIBBON is a symbol of breast cancer awareness.

62. The 1999 edition of the magazine records that the applicant charities were to be beneficiaries of a fixed sum from the cover price of the magazine (see the foot of the cover page and the note at the foot of page 7). Exhibits GD4 to GD6 to Mr Dugdill's evidence in chief contains further examples of contact between the publishers and the charities. The material in GD5 is after the material date but contains reference to past dealings. Exhibit GD4 is an extract from a longer document. The rest of the document has not been filed in evidence. Nor is the context in which it was written fully explained in Mr Dugdill's covering witness statement. It is, however, commented on at page 60 et seq of his second set of written submissions. It appears to be a record of a meeting with Breakthrough (one of the applicant charities). The date of the meeting is not clear but from references in the body of the note it is likely

to have been some time in 2003. The note appears to have been prepared by the charity and acknowledges past dealings and Blue Moon's independence from the previous publishers.

63. Further evidence of one of the charities continuing awareness of the magazine can be found in Exhibit GD3. This is a copy of a letter from the Director of Fundraising and Marketing at Breakthrough to Gerard and Kamala Dugdill indicating that the charity had decided not to work with Blue Moon on the 2004 edition of the magazine. Curiously, the letter itself is not dated but refers to sales of the 2003 edition and states "Thank you for meeting with us on 13<sup>th</sup> January ....". That places the meeting and the letter in January 2004.

64. The final items I need to refer to is further evidence filed by Mrs Dugdill in his witness statement of 31 July 2007. The accompanying exhibit, GD22, is a copy of a circular released by Breakthrough to (it is said) commercial partners setting out the charity's policy on dealings with the magazine. The circular is dated 2 July 2003, that is to say shortly before the trade mark application was filed.

65. All of this serves to confirm that the applicants were fully aware of the magazine and its history. I do not detect anything in the exchanges and material before me to suggest that the applicants were of the view that PINK RIBBON used as the name of a magazine was not an indication of the commercial origin of the product albeit one that alluded to the underlying subject matter.

66. Based on past dealings, I think it should have been apparent to the applicants at the time their application was filed that the opponent was the owner of the goodwill in the sign PINK RIBBON. It is not in my view a defence that the application is said to have been filed "with the express purpose of using that registration to prevent the continuance of use which the applicant finds objectionable or damaging ..." and "to protect bona fide charities .... against the activities of third parties seeking to take commercial advantage of, in particular, Breast Cancer Awareness Month" (per the applicants' written submissions). I have commented, in dealing with the Section 5(4)(a) ground, on the relationship between the magazine and BCAM and do not need to further elaborate on the matter here save to say that, as the charities were behind or closely involved with BCAM they must also have been aware that the magazine was not a creation of BCAM. Rather, it was a third party initiative albeit one linked to BCAM.

67. There is a suggestion in the applicants' written submissions that they did not subjectively believe that their actions in filing the application were dishonest. However, it is clear from The Privy Council's clarification in *Barlow Clowes* of the House of Lord's judgment in *Twinsectra* that it is only the applicants' state of knowledge that is relevant not their underlying subjective intentions. A belief on their part that they were entitled to apply for the mark is not a defence. They were clearly aware of the opponent's right. Their action in applying for the mark was, in my view, a breach of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the area of trade concerned.

68. I find that the application was filed in bad faith insofar as it covered printed matter and printed publications. Section 3(6) provides that a mark shall not be registered if

or to the extent that it was made in bad faith. I am not prepared to say that the bad faith extended to the other goods of the application bearing in mind the association between pink ribbons (actual and graphical images thereof) and breast cancer causes and hence the possibility that others may have legitimate cause to use the words in relation to other areas of goods and services. In the event the opposition has succeeded in part but subject to the outcome of any appeal, the application will be allowed to proceed in respect of :

“Paper, cardboard and goods made from these materials, not included in other classes; bookbinding material; photographs; stationery; adhesives for stationery or household purposes; artist' materials; paint brushes; typewriters and office requisites (except furniture); instructional and teaching material (except apparatus); plastic materials for packaging; printers' type; printing blocks.”

69. I have not given consideration to a further strand of argument that emerges in Mr Dugdill's submissions relating to whether the applicants have a *bona fide* intention to use the mark in relation to the goods of the application. So far as I can see this point was not part of the pleaded case and there has been no request since to introduce it as a freestanding objection.

70. Both sides have achieved a measure of success. It may be said that Mr Dugdill has been successful in relation to the issue that has been at the heart of this case (the magazine). However, his conduct of the proceedings has given some cause for concern as noted in paragraph 14 above. In all the circumstances I do not propose to favour either side with an award of costs.

**Dated this 6<sup>th</sup> day of November 2007**

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