

O-007-10

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No. 2465502
BY HELMUT GROSS T/A YOUR GERMAN CONNECTION
TO REGISTER A SERIES OF THREE TRADE MARKS
PLATZ HAUS / Platz Haus / platz haus
IN CLASSES 19, 36, 37 AND 42**

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER NO. 96312 BY PLATZ HAUS 21 GMBH**

BACKGROUND

1) On 29 August 2007, Helmut Gross t/a Your German Connection (hereinafter the applicant), applied to register a series of three trade marks “PLATZ HAUS / Platz Haus / platz haus” for the following goods and services:

“Class 19: Prefabricated components, in particular of wood, for buildings, and buildings made therefrom, in particular prefabricated houses, timber for building.

Class 36: Real estate affairs, including brokers' services, renting services and property consultancy services; monetary affairs, financial affairs, especially the financing of real estate; insurance, especially concerning insurances relating to building construction and real estate; financial expert opinions.


Class 37: Building construction, including civil engineering, especially for modernization measures, including the services of a property developer, namely the execution of building projects; modernization in the building sector through repair and installation services; repair in the building sector; installation services.

Class 42: Provision of architect services; interior design services; Technical planning services in the building sector; Provision of technical expert opinions; Civil engineering services; technical consultancy services for buildings, including heating and energy optimization. ”

2) The application was examined and accepted, and was subsequently published for opposition purposes on 16 November 2007 in Trade Marks Journal No.6710.

3) On 18 February 2008, Platz-Haus GmbH (hereinafter the opponent), filed a notice of opposition. The opponent subsequently went into insolvency and all the trade marks were acquired by Platz-Haus 21 GmbH. A request to substitute the opponent was made on 10 July 2009 with the new opponent accepting responsibility for any costs resulting from the opposition. The grounds of opposition are in summary:

a) The opponent is the proprietor of the following trade mark:

Trade Mark	Number	Application Date and Registration Date	Specification
	CTM 2913473	28.11.02 / 21.06.04	Class 19: Prefabricated components, in particular of wood, for buildings, and buildings made therefrom, in particular prefabricated houses, timber for building. Class 37: Construction; carpentry services, erecting of finished buildings from prefabricated components, and of prefabricated houses and cellars. Class 42: Architecture, statistics, civil engineering.

b) The opponent states that Helmut Gross (the applicant) is the opponent's former UK agent. They state that Mr Gross has applied to register the distinctive parts of its mark and is using the application as leverage in negotiations for a new contract with the opponent. The opponent claims that the goods and services applied for by the applicant are identical and/or similar to the goods and services for which its mark is registered and that the marks of the two parties are very similar. The opponent states that the application offends against Section 5(2)(b), section 3(6) and Section 60 of the Trade Marks Act 1994.

4) On 11 September 2008, the applicant filed a counterstatement which denied the opponent's claims. It accepted that from October 2005 to September 2007 Mr Gross acted as an exclusive agent to Carl Platz GmbH. However, it is claimed that it was agreed that Mr Gross would trade as Platz Haus UK. The mark "C Platz" (where the "C" extends to form a roof structure) in white upon a blue square with the words "Architektur in Holz" also in white on a green square alongside the blue square. The applicant claims that on 30 June 2007 he gave three months notice with the intention of ending the agreement on 30 September 2007 as he had not received sufficient marketing and planning support, and that the opponent's business procedures were too lengthy for the UK market. He states that on 28 August 2007 Carl Platz GmbH & Co KG filed an application for insolvency in Germany. The applicant was identified as a creditor and he states that he lost additional monies in commission when clients suspended building work in view of the uncertainty of the administration process. In order to secure the goodwill that had accrued in the UK from his actions in attending trade shows, working with clients and architects etc the applicant filed his trade mark application. At the same time a company was formed in the same name. The applicant states that on 18 September 2007 Platz-Haus GmbH was incorporated in Germany by the administrators of Carl Platz GmbH & Co KG. On 16 November 2007 this new company was sold to its present owners. He points out that this is a completely different legal entity to Carl Platz GmbH & Co KG. He has never represented the new company and the opponent has no registered rights to the mark in suit anywhere. He states that the registered Community Trade Mark has the dominant feature of a stick man, whilst the shared element "platz" means "place" a very common word. The applicant does not seek proof of use.

5) Both sides filed evidence and both seek an award of costs in their favour. Neither side wished to be heard but both provided written submissions which I shall refer to as and when required.

OPPONENT'S EVIDENCE

6) The opponent filed a witness statement, dated 19 September 2008, by Michael Hummler the Managing Director of Platz-Haus GmbH (the original opponent). He provides a brief history of the predecessors in business that have used the mark PLATZ. He states that by an agreement dated 25 October 2007 his company purchased the assets of Carl Platz GmbH & Co KG including the rights to the Platz and Platz Haus trade marks. A copy of this agreement is provided at exhibit MH5. Although this document mentions trade marks, know-how, business secrets and marketing procedures it does not mention goodwill. At exhibit MH7 he provides a copy of a brochure produced for the UK in 2006 which shows use of the marks "PLATZ" and "PLATZ HAUS". At exhibit MH8 he provides a copy of the agreement between the applicant and Carl Platz GmbH & Co KG. He comments on this agreement thus:

“ 9.....The agency agreement terminated as a result of the bankruptcy of Carl Platz GmbH & Co KG and was not binding on successors or assigns. As a result Helmut Gross no longer had any legitimate basis to use the PLATZ or PLATZ HAUS trade marks in the UK, or elsewhere.”

7) At exhibit MH8 Mr Hummler provides copies of e-mail correspondence between the applicant and himself during November 2007 and January 2008. The applicant seeks a new agreement with the opponent as their sole UK agent and refers to himself as part of the PLATZ HAUS family and states “I would hardly undertake all of this if I intended to leave Platz Haus”. Also provided at exhibit MH9 is a draft agreement drawn up by the applicant to transfer the mark in suit to the opponent, subject to certain conditions. Mr Hummler contends that these comments show that the applicant was working as an agent and that the applicant accepts that the opponent company has the rights to the mark.

APPLICANT’S EVIDENCE

8) The applicant filed a witness statement, dated 23 March 2009, by Edward Humphrey-Evans, the applicant’s Trade Mark Attorney. He states that Platz-Haus GmbH has never had a UK agent and that the company became insolvent on 2 January 2009. He points out that Carl Platz GmbH & Co KG still exists under administration. He also points out that the opponent has not mentioned any assignment of goodwill between Platz-Haus GmbH and Carl Platz GmbH & Co KG. He states that any goodwill in the UK under the name of Platz haus has been generated by the applicant. He further points out that the term “Platz Haus” was not a trading name but a description of the product. Mr Humphrey-Evans denies that Mr Gross tried to use the trade mark application as leverage in negotiations for an agency agreement. He states that Mr Gross also had discussions with other German companies such as Meisterstueck HAUS, Gussek Haus, and Hass Fertigung amongst others.

OPPONENT’S EVIDENCE IN REPLY

9) The opponent filed two witness statements. The first, dated 25 August 2009, is by Reinhard Fuchs the Chief Executive Officer of Platz Haus 21 GmbH. He states that two companies purchased the assets of Platz-Haus GmbH which was in bankruptcy. Herr Fuchs company, at that time called Betonwerk Dessau Verwaltungs GmbH, acquired all intangible assets of Platz Haus GmbH and later then changed its name to Platz Haus 21 GmbH. The assets purchased were listed and included trademarks, a domain name, patents, know how, the complete product programme including sales rights, image rights, photographic material, the corporate name, in particular the “Platz” part of the name, the customer base and customer data, all software and licences. Herr Fuchs states:

“6. It is evident that the purchase agreement transferred ownership of all intangible assets owned by Platz-Haus GmbH to Betonwerk Dessau Verwaltungs GmbH, including its intellectual property rights, which encompasses not only registered trademarks but also unregistered trade mark rights and goodwill associated with the PLATZ and PLATZ HAUS trademarks.”

10) Herr Fuchs adds:

“10. The acquisition of intangible assets from Platz-Haus GmbH, notably the registered and unregistered trade marks to PLATZ, PLATZ HAUS, PLATZ EXKLUSIV WOHNFUHLHAUSER are vital for our business to progress in respect of the design, manufacture and sale of houses. The distinctive component of the brand is of course the word PLATZ, which is a German surname. The word HAUS is the German word for HOUSE.”

11) The second witness statement, dated 15 September 2009, is by Iain Alexander Stewart the opponent’s Trade Mark Attorney. Its sole purpose is to correct a typographical error in the evidence of Herr Fuchs and so I do not propose to comment upon it.

12) That concludes my summary of the evidence filed, insofar as I consider it necessary.

DECISION

13) The first ground of opposition is under section 5(2) (b) which reads:

“5.-(2) A trade mark shall not be registered if because -

(a)...

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.”

14) An “earlier trade mark” is defined in section 6 of the Act, the relevant part of which states:

“6.-(1) In this Act an "earlier trade mark" means -

(a) a registered trade mark, international trade mark (UK) or Community trade mark which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks.”

15) The opponent is relying upon its trade mark listed in paragraph 2 which is clearly an earlier trade mark. The opponent has not shown any use of its mark. However, the Trade Marks (Proof of Use, etc.) Regulations 2004 do not come into effect in this case as the applicant stated in its counterstatement that it did not require the opponent to provide proof of use.

16) In my consideration of a likelihood of confusion, I take into account the guidance from the settled case law provided by the European Court of Justice (ECJ) in *Sabel BV v Puma AG* [1998]

RPC 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77 and *Marca Mode CV v Adidas AG & Adidas Benelux BV* [2000] E.T.M.R. 723, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH* C-120/04 and *Shaker di L. Laudato & C. Sas v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) C-334/05 P* (LIMONCELLO). It is clear from these cases that:

(a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors; *Sabel BV v Puma AG*,

(b) the matter must be judged through the eyes of the average consumer of the goods/services in question; *Sabel BV v Puma AG*, who is deemed to be reasonably well informed and reasonably circumspect and observant - but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind; *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel B.V.*,

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details; *Sabel BV v Puma AG*,

(d) the visual, aural and conceptual similarities of the marks must therefore be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components; *Sabel BV v Puma AG*,

(e) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.*,

(f) there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character, either per se or because of the use that has been made of it; *Sabel BV v Puma AG*,

(g) in determining whether similarity between the goods or services covered by two trade marks is sufficient to give rise to the likelihood of confusion, the distinctive character and reputation of the earlier mark must be taken into account; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.*,

(h) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purposes of Section 5(2); *Sabel BV v Puma AG*,

(i) further, the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense; *Marca Mode CV v Adidas AG and Adidas Benelux BV*,

(j) but if the association between the marks causes the public to wrongly believe that the respective goods come from the same or economically linked undertakings, there is a

likelihood of confusion within the meaning of the section; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.*,

(k) assessment of the similarity between two marks means more than taking just one component of a composite trade mark and comparing it with another mark; the comparison must be made by examining each of the marks in question as a whole, which does not mean that the overall impression conveyed to the relevant public by a composite trade mark may not, in certain circumstances, be dominated by one or more of its components; *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*

(l) it is only when all other components of a complex mark are negligible that it is permissible to make the comparison on the basis of the dominant element; *Shaker di L. Laudato & C. Sas v OHIM*

17) In essence the test under section 5(2)(b) is whether there are similarities in marks and goods and services which would combine to create a likelihood of confusion. In my consideration of whether there are similarities sufficient to show a likelihood of confusion I am guided by the judgments mentioned above. The likelihood of confusion must be appreciated globally and I need to address the degree of visual, aural and conceptual similarity between the marks, evaluating the importance to be attached to those different elements taking into account the degree of similarity in the goods and services, the category of goods and services in question and how they are marketed. Furthermore, I must compare the applicant's mark and the mark relied upon by the opponent on the basis of their inherent characteristics assuming normal and fair use of the marks on the goods and services outlined at paragraph 2 above.

18) The effect of reputation on the global consideration of a likelihood of confusion under Section 5(2)(b) of the Act was considered by David Kitchin Q.C. (as he was then) sitting as the Appointed Person in *Steelco Trade Mark* (BL O/268/04). Mr Kitchin concluded at paragraph 17 of his decision:

“The global assessment of the likelihood of confusion must therefore be based on all the circumstances. These include an assessment of the distinctive character of the earlier mark. When the mark has been used on a significant scale that distinctiveness will depend upon a combination of its inherent nature and its factual distinctiveness. I do not detect in the principles established by the European Court of Justice any intention to limit the assessment of distinctiveness acquired through use to those marks which have become household names. Accordingly, I believe the observations of Mr. Thorley Q.C in *DUONEBS* should not be seen as of general application irrespective of the circumstances of the case. The recognition of the earlier trade mark in the market is one of the factors which must be taken into account in making the overall global assessment of the likelihood of confusion. As observed recently by Jacob L.J. in *Reed Executive & Ors v. Reed Business Information Ltd & Ors*, EWCA Civ 159, this may be particularly important in the case of marks which contain an element descriptive of the goods or services for which they have been registered. In the case of marks which are descriptive, the average consumer will expect others to use similar descriptive marks and thus be alert for details which would differentiate one mark from another. Where a mark has become more distinctive through

use then this may cease to be such an important consideration. But all must depend upon the circumstances of each individual case.”

19) The opponent has singularly failed to show that it has a reputation in the goods and services for which its mark is registered. I note that it has not shown use of the mark it is relying upon. The opponent cannot therefore enjoy enhanced protection because of reputation. However, I do accept that the opponent’s mark is inherently distinctive for the goods and services for which it is registered.

20) I shall first consider the goods and services of the two parties. For ease of reference these are as follows:

Applicant’s specification	Opponent’s specification
Class 19: Prefabricated components, in particular of wood, for buildings, and buildings made therefrom, in particular prefabricated houses, timber for building.	Class 19: Prefabricated components, in particular of wood, for buildings, and buildings made therefrom, in particular prefabricated houses, timber for building.
Class 36: Real estate affairs, including brokers' services, renting services and property consultancy services; monetary affairs, financial affairs, especially the financing of real estate; insurance, especially concerning insurances relating to building construction and real estate; financial expert opinions.	
Class 37: Building construction, including civil engineering, especially for modernization measures, including the services of a property developer, namely the execution of building projects; modernization in the building sector through repair and installation services; repair in the building sector; installation services.	Class 37: Construction; carpentry services, erecting of finished buildings from prefabricated components, and of prefabricated houses and cellars.
Class 42: Provision of architect services; interior design services; Technical planning services in the building sector; Provision of technical expert opinions; Civil engineering services; technical consultancy services for buildings, including heating and energy optimization.	Class 42: Architecture, statistics, civil engineering.

21) In carrying out the comparison I will take into account *British Sugar Plc v James Robertson & Sons Ltd* (TREAT) RPC 281. This identified the following as elements to be considered, uses, users, nature, trade channels, where the items are to be found and whether they are in competition. I must also consider the issue of whether the goods and services are complementary. In Case T-420/03 – *El Corte Ingles v OHIM- Abril Sanchez and Ricote Sauger* (Boomerang TV) the Court of First Instance commented at paragraph 96:

“96.....Goods or services which are complementary are those where there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for the production

of those goods or provision of those services lies with the same undertaking (Case T-169/03 *Sergio Rossi v OHIM – Sissi Rossi (SISSI ROSSI)* [2005] ECR II-685, paragraph 60, and judgment of 15 March 2006 in Case T-31/04 *Eurodrive Services and Distribution v OHIM – Gomez Frias (euroMASTER)*, not published in the ECR, paragraph 35).”

22) I also take into account the views of Neuberger J in *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another* [2000] FSR 267 where he stated:

“I should add that I see no reason to give the word "cosmetics" and "toilet preparations" or any other word found in Schedule 4 to the Trade Mark Regulations 1994 anything other than their natural meaning, subject, of course, to the normal and necessary principle that the words must be construed by reference to their context. In particular, I see no reason to give the words an unnaturally narrow meaning simply because registration under the 1994 Act bestows a monopoly on the proprietor.”

23) Further, I also bear in mind the comments of Jacob J. in *Avnet Incorporated v. Isoact Ltd* [1998] FSR 16 where he said:

“In my view, specifications for services should be scrutinised carefully and they should not be given a wide construction covering a vast range of activities. They should be confined to the substance, as it were, the core of the possible meanings attributable to the rather general phrase.”

24) I must first determine the average consumer for the goods and services of the parties. Neither party has commented upon this aspect. It seems clear that the goods and services offered by the two parties are aimed at both the general public and also the business community. Both groups must therefore be regarded as the average consumer.

25) Clearly, the Class 9 specifications are absolutely identical. Equally, the services in Classes 37 and 42 are either identical or very similar. However, the applicant’s Class 36 services are completely different from the goods and services of the opponent’s mark. Nor can the applicant’s services be seen as complementary to the opponent’s goods or services. In making this determination I rely upon the case mentioned in paragraph 20 above where the issue was considered by the CFI in *Sergio Rossi SpA v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) (T-169/03)* [2005] E.C.R. II-685 and *Eurodrive Services and Distribution NV v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) (T-31/00)*, unreported . In the former case the CFI stated:

“60. According to the definition given by OHIM in paragraph 2.6.1 in Chapter 2 of Part 2 of the Opposition Guidelines, referred to in paragraph 35 above, complementary goods are goods which are closely connected in the sense that one is indispensable or important for the use of the other so that consumers may think that the same undertaking is responsible for the production of both goods.


61. In the present case, the applicant has failed to establish that, in terms of their function, the goods in question are complementary in this way. As is clear from paragraph 2.6.2 in Chapter 2 of Part 2 of the Opposition Guidelines, referred to in paragraph 35 above, OHIM

appears to concede that the goods are aesthetically, and therefore subjectively, complementary in a way which is determined by the habits and preferences of consumers to which producers' marketing strategies or even simple fashion trends may give rise.

62. However, the applicant has failed to demonstrate, during either the proceedings before OHIM or those before the Court, that this aesthetic or subjective complementary nature has reached the stage of a true aesthetic 'necessity' in the sense that consumers would think it unusual or shocking to carry a bag which does not perfectly match their shoes. The Court takes the view, first of all, that the search for a certain aesthetic harmony in clothing is a common feature in the entire fashion and clothing sector and is too general a factor to justify, by itself, a finding that all the goods concerned are complementary and, thus, similar. The Court observes, in addition, that the facts and evidence submitted by the applicant for the first time before the Court cannot, in the present case, call into question the lawfulness of the contested decision as shown in paragraphs 19 et seq. above.

63. Moreover, the fact that consumers regard a product as a complement of or accessory to another is not sufficient for them to believe that those products have the same commercial origin. For that to be the case, consumers would also have to consider it usual for those products to be sold under the same trade mark, which normally implies that, a large number of the producers or distributors of the goods are the same."

26) I now turn to consider the marks of the two parties. For ease of reference these are reproduced below:

Applicant's mark	Opponent's mark
<p>PLATZ HAUS Platz Haus Platz haus</p>	

27) The *Medion* case acknowledges that the overall impression conveyed to the relevant public by a composite mark may, in certain circumstances, be dominated by one or more of its components. Clearly, the opponent's mark consists of the words "Platz", "Exklusiv" and "Wohnfuhlhauser" around a device which the applicant contends is a stick man. The applicant contends that the word "platz" is a common word meaning "place". However, I do not believe that the majority of the UK public will know this meaning. In my view they are more likely to view "PLATZ" as a surname or a word with no meaning at all. Further, the applicant also contends that the device element is the dominant feature of the opponent's mark. Again I do not accept that the odd device which may or may not be a stick man would be deemed by the average consumer to be the dominant feature. To my mind the word "platz" is the dominant feature. The word "Exklusiv" is likely to be seen as the English word "exclusive" whilst the last word "Wohnfuhlhauser" will simply be incomprehensible to the vast majority of UK consumers

including businesses. In my opinion, the average consumer will also recognise the word “HAUS” in the applicant’s mark as meaning “house”. They look and sound very similar and there are a number of companies from Germany offering their products in the UK and a number such as Huff have featured on television. Therefore, both parties’ marks have as their dominant element the identical word “Platz”. I accept that there are visual and aural differences between the marks, however, I believe that the similarity of the dominant elements outweigh the differences. To my mind, the marks are therefore similar, both visually and aurally. Conceptually, neither mark has any meaning.

28) I take of all of the above into account when considering the marks globally. To my mind, the similarities in the marks are such that when used on identical or similar goods or services I believe that there is a likelihood of consumers being confused into believing that those goods or services provided by the applicant are those of the opponent or provided by some undertaking linked to them. The opposition under Section 5(2)(b) therefore succeeds in relation to the following goods and services:

Class 19: Prefabricated components, in particular of wood, for buildings, and buildings made therefrom, in particular prefabricated houses, timber for building.

Class 37: Building construction, including civil engineering, especially for modernization measures, including the services of a property developer, namely the execution of building projects; modernization in the building sector through repair and installation services; repair in the building sector; installation services.

Class 42: Provision of architect services; interior design services; Technical planning services in the building sector; Provision of technical expert opinions; Civil engineering services; technical consultancy services for buildings, including heating and energy optimization.

29) The opposition under Section 5(2)(b) fails in respect of the following:

Class 36: Real estate affairs, including brokers' services, renting services and property consultancy services; monetary affairs, financial affairs, especially the financing of real estate; insurance, especially concerning insurances relating to building construction and real estate; financial expert opinions.

30) I now turn to the ground of opposition under section 3(6) which reads:

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

31) Section 3(6) has its origins in Article 3(2)(d) of the Directive, the Act which implements Council Directive No. 89/104/EEC of 21 December 1988 which states:

“Any Member State may provide that a trade mark shall not be registered or, if registered, shall be liable to be declared invalid where and to the extent that....

(c) the application for registration of the trade mark was made in bad faith by the applicant.”

32) The Directive gives no more clue as to the meaning of “bad faith” than the Act. Subsequent case law has avoided explicit definition, but has not shirked from indicating its characteristics. In *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] RPC 367, Lindsay J 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.”

33) The Privy Council considered earlier authorities in *Barlow Clowes International Ltd (in liquidation) & Others v Eurotrust International Limited & Others* [2006] 1 Lloyd’s Rep 225. In particular, their Lordships considered a submission from Counsel that an inquiry into the defendant’s views about standards of honesty is required. The following passage from Lord Hoffman’s judgment sets out the position as follows:-

“[Counsel for the defendant] relied upon a statement by Lord Hutton in *Twinsectra Ltd v Yardley* [2002] 2 AC 164, 174, with which the majority of their Lordships agreed:

“35. There is, in my opinion, a further consideration which supports the view that for liability as an accessory to arise the defendant must himself appreciate that what he was doing was dishonest by the standards of honest and reasonable men. A finding by a judge that a defendant has been dishonest is a grave finding, and it is particularly grave against a professional man, such as a solicitor. Notwithstanding that the issue arises in equity law and not in a criminal context, I think that it would be less than just for the law to permit a finding that a defendant had been ‘dishonest’ in assisting in a breach of trust where he knew of the facts which created the trust and its breach but had not been aware that what he was doing would be regarded by honest men as being dishonest.

“36. I consider that the courts should continue to apply that test and 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 set his own standards of honesty and does not regard as dishonest what he knows would offend the normally accepted standards of honest conduct.”

15.....Their Lordships accept that there is an element of ambiguity in these remarks which may have encouraged a belief, expressed in some academic writing, that *Twinsectra* had departed from the law as previously understood and invited inquiry not merely into the defendant's mental state about the nature of the transaction in which he was participating but also into his views about generally acceptable standards of honesty. But they do not consider that this is what Lord Hutton meant. The reference to "what he knows would offend normally accepted standards of honest conduct" meant only that his knowledge of the transaction had to be such as to render his participation contrary to normally acceptable standards of honest conduct. It did not require that he should have had reflections about what those normally acceptable standards were.

16....Similarly in the speech of Lord Hoffmann, the statement (in paragraph 20) that a dishonest state of mind meant "consciousness that one is transgressing ordinary standards of honest behaviour" was in their Lordships' view, intended to require consciousness of those elements of the transaction which make participation transgress ordinary standards of honest behaviour. It did not also require him to have thought about those standards were."

34) On the basis of these authorities it is clear that a finding of bad faith may be made in circumstances which do not involve actual dishonesty. Furthermore, it is not necessary for me to reach a view on the applicant's state of mind regarding the transaction if I am satisfied that his action in applying for the mark in the light of all the surrounding circumstances would have been considered contrary to normally accepted standards of honest conduct.

35) In *Chocoladefabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH* [2009] ETMR 56 the ECJ said:

"It is also apparent from that provision that the relevant time for determining whether there is bad faith on the part of the applicant is the time of filing the application for registration."

36) I must therefore consider the position at the date that Herr Gross applied to register the trade mark i.e. 29 August 2007.

37) In the instant case the applicant accepts that he was the UK agent for Carl Platz GmbH & Co KG from October 2005 until the company went into insolvency on 28 August 2007. This technically ended the applicant's contract with the German company. However, the applicant must have been aware that any goodwill in the name PLATZ in the UK would most likely have accrued to the German company that he represented. It could have value which the administrator of the company could seek to realise in order to pay creditors, of which he was one. I accept that the applicant may feel aggrieved that he invested a lot of time and money himself in building up the UK market and he lost considerable sums when the company became insolvent. This does not however give him absolution from acting in a manner contrary to normal standards of honest conduct. I believe that he deliberately sought to register the mark in order to improve his chances of retrieving some of the monies that he was owed by Carl Platz GmbH & Co KG. This is borne out by his subsequent behaviour where he attempted to bargain with the successors in business of Carl Platz GmbH & Co KG, offering the UK trade mark as an incentive to his being awarded an

exclusive agency in the UK. The opposition under Section 3(6) succeeds and the application will be refused in totality.

38) As a result of this finding I do not need to consider the Section 60 ground, although it could hardly have resulted in a different finding given that the applicant accepts that until the day before he filed his application he was the UK agent for the opponent's predecessor in business.

COSTS

39) As the opponent has been successful it is entitled to a contribution towards its costs. I order the applicant to pay the opponent the sum of £1,200, breakdown given below. This sum 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 14 day of January 2010

**George W Salthouse
For the Registrar,
the Comptroller-General**

Preparing a statement and considering the other side's statement	500
Preparing evidence and considering and commenting on the other side's evidence	300
Preparing submissions	200
Expenses	200
TOTAL	1,200