

O-154-10

TRADE MARKS ACT 1994

**IN THE MATTER OF REGISTRATION NO. 2438738 IN THE NAME OF TRIDENT
GROUP UK LIMITED IN RESPECT OF THE FOLLOWING TRADE MARK IN
CLASSES 6, 8 AND 37:**



**AND AN APPLICATION FOR A DECLARATION OF INVALIDITY THERETO
UNDER NO 83209 BY THE STANLEY WORKS C.V.**

TRADE MARKS ACT 1994

IN THE MATTER OF registration 2438738

In the name of Trident Group UK Limited

In respect of the following trade mark in classes 6, 8 and 37:



and

an application for a declaration of invalidity

thereto under no. 83209 by The Stanley Works C.V.

BACKGROUND

1) Trident Group UK Limited (“Trident”) is the proprietor of the above trade mark (“the registration”). It applied for the registration on 16th November 2006 and the registration procedure was completed on 18 May 2007. The registration covers the following goods and services:

Class 06:

Staples of metal for use in manufacture, hog rings [metal fasteners] of metal, brads, nails of metal [collated].

Class 08:

Pneumatic coil and strap nailing tools.

Class 37:

Repair of tools

2) On 10th April 2008 The Stanley Works C.V. (“Stanley”) applied for the registration to be declared invalid. The grounds of the application are as follows:

(a) that Stanley is the proprietor of two earlier trade marks, being:

Mark	Filing date	Mark	Goods and services
982706	5 November 1971	 ATRO	Class 06: Nails and staples (not being stationery)
982707	5 November 1971	 ATRO	Class 07: Nailing machines and stapling machines (not being stationery).

Both marks had been assigned to Stanley in November 1997 and used since then in respect of the goods of the respective specifications. Prior to that, the marks had been used in the UK by the previous trade mark proprietors: ATRO Industriale SpA, Nordfin SpA, Indufin SrL and Atro SrL. Stanley say that given the similarity between their earlier marks and the registration, and the identity/similarity of the goods and services, the registration was contrary to section 5(2) (b) of the Trade Marks Act 1994 (“the Act”);

- (b) Stanley also say that it has a reputation in the UK in relation to the owl device and that use of a similar device by Trident without due cause would take unfair advantage of, or be detrimental to, the distinctive character or repute of its marks. Therefore the registration was contrary to section 5(3) of the Act;
- (c) it says, further, that given the use made of the owl device element they had a significant goodwill by the time the later mark was filed. Given that goodwill, the use by Trident of such a similar device at the time of filing the registration would amount to misrepresentation and also damage to Stanley. Thus the registration was contrary to section 5(4) (a) of the Act;
- (d) it also says that it is the proprietor of the copyright in the device element and that such copyright predates the date of filing of the registration. Use of the device element would have constituted copyright infringement in the UK at the time of filing the registration and, as such, would have been liable to be prevented. Thus, the registration was contrary to section 5(4) (b) of the Act;
- (e) finally it says that Trident was a distributor for Stanley from 1996 to 2005. The distribution agreement had been terminated in 2005 when Stanley

discovered that Trident was 'switch selling'¹ its products. Prior to the distribution agreement, Mr Stephen Redman, the Company Director of Trident, had been employed by ATRO Industriale SpA and must have been aware that he was not entitled to seek protection for the owl device as it was used by ATRO Industriale SpA and then later Stanley. Consequently, the registration was made contrary to section 3(6) of the Act.

3) Stanley states that it gave no consent, implicitly or explicitly, to the registration of Trade Mark 2438738 and consequently it should be invalidated under section 47(1) and section 47(2)(a) and (b) of the Act.

4) A counterstatement was filed by Trident and raises the following relevant points:

- (a) it is denied that Stanley or its predecessors have used the owl device continuously since November 1997, although it is conceded that the word ATRO may have been used. They require proof of that use from Stanley;
- (b) the allegation of switch selling is denied and it put Stanley to proof of that allegation. Although Mr Redman was employed as a salesman by ATRO Ltd he denies having any information about the company policy in relation to trade marks and, accordingly, says that the registration was not made in bad faith under section 3(6);
- (c) in relation to section 5(2), it is denied that there is a likelihood of confusion as between the registration and the earlier marks since the trade mark used by Trident is accompanied by the words "Talon Fasteners", whereas Stanley's use "shows use with the word ATRO and the incorporation of the ATRO product into the Bostitch brand";
- (d) the allegations in relation section 5(3) are denied as it is said that Stanley has no reputation in the UK in the ATRO plus device mark and moreover the earlier marks are not, in any event, identical or similar to the registration;
- (e) the allegations in relation to section 5(4)(a) and (b) are also denied on the basis that there was no significant goodwill in the owl device and nor, given the absence of similarity between the registration and the earlier marks, could there have been misrepresentation or damage. It is denied that Stanley is the proprietor in any copyright in the owl device which would have been infringed and thus liable to be prevented;
- (f) finally, it is said that Stanley, through its employees, agents or representatives has been aware of the design and use of the registration and it has acquiesced in that use. In this regard Trident supplied sponsorship that included use of its mark to a football team managed by one of Stanley's company representatives.

¹ As I understand it from the evidence, 'switch selling' is an illegal practice which may, eg involve the advertising of one manufacturer's product which, when an order is placed, is switched to the product of another manufacturer.

5) Both parties filed evidence and seek an award of costs. Neither party requested a hearing and the matter therefore falls to be decided on the basis of the submissions and evidence on file. After a careful consideration of these papers, I give my decision.

EVIDENCE

Applicant's evidence

6) Stuart Horne is the Business Unit Manager (Fastenings) of Stanley and has held the position since 2003. He has provided a witness statement dated 11 August 2008. He says that Stanley has sold the products for which the earlier marks are registered since November 1997 using those marks. Exhibit SH-1 (which has been made confidential under rule 51 of the Trade Marks Rules 2000) is a copy of the assignment document in Italian with translation into English from the previous owners to Stanley. I do not need to detail its content here other than to note that it is silent on the issue of assignment of the copyright residing in the marks.

7) He says the earlier marks are used on the products themselves and on packaging. Exhibit SH-2 comprises photographs of some of the products that are sold under those marks. These photographs show firstly what appears to be a pneumatic stapling or nail machine bearing the STANLEY mark together with the ATRO and owl device mark. This photograph is undated. There are also two photographs that, Mr Horne states, appear on a third party's website, and were printed from that website on 23 July 2008 (www.gloverbros.myzen.co.uk) showing boxes of staples bearing the ATRO name, again including the owl device. Here, the owl device appears in a different position to that in the registered marks. It appears above the letters "AT" of the word ATRO rather than preceding the word. Both the owl device element and the word ATRO appear in front of a large letter "A" shaped device. Two further photographs also show packaging for staples bearing the same marks. These too, are undated.

8) Mr Horne then gives turnover figures for each of the last 6 years for sales and he states that these relate to the sale of products sold under its two registered marks. These figures are as follows:

Year	Turnover
2007	£635,798
2006	£537,182
2005	£455,856
2004	£634,456
2003	£719,431
2002	£835,820

9) He says that in 2004 Stanley started to re-brand some of the products previously sold under the earlier marks and this is an ongoing process. Despite this, he says that there are still products being sold today under those earlier marks. It is not however possible to determine what proportion of the turnover figures given above for 2004-2007 can be attributed to products sold under the earlier marks.

10) Exhibit SH-3 comprises two promotional brochures that, Mr Horne states, were distributed prior to November 1997 by the previous owners ATRO Industriale s.p.a. and its associated company ATRO Ltd in the UK. The brochures are in Italian and English and are undated. The English version shows, on the cover, photographs of pneumatic stapling and nail machinery bearing the word ATRO on the machinery itself. The earlier mark (including the owl device) is displayed prominently on each page of the brochure.

11) The remainder of Mr Horne's evidence goes to the breakdown of the distribution relationship, and specifically the allegation of switch selling, as between Stanley and Trident which I shall not summarise here.

Registered Proprietor's evidence

12) This is in the form of a witness statement, dated 3 December 2008, by Stephen Charles Redman, Commercial Director of Trident, a post he has held since the company was established in 1995. He states that Trident have previously purchased pneumatic fastening products from both Atro Ltd and Stanley Bostitch Ltd which it sold alongside other major brands. He also explains that Trident complemented these brands with its own house brand TALON.

13) Mr Redman explains that in August 1999, Trident made an agreement with Stanley Fastening Solutions to continue acting as its distributor, in an area defined by specified post codes. No further information is provided regarding this agreement and no explanation is provided regarding the relationship between Stanley Fastening Solutions ("Stanley FS") and the applicant for invalidity. Stanley has not commented on this and the inference by Trident is that it is a company closely linked to Stanley. In the circumstances, I intend to make this assumption. Mr Redman explains that Trident also received a written notice from Stanley FS assuring it that they would not introduce another distributor into the same area. This is an assurance that Mr Redman claims they did not adhere to. Stanley FS subsequently terminated the distribution contract.

14) Mr Redman provides, at Exhibit SCR-1, extracts from Stanley's own website. The first page, Mr Redman explains, is from the company history part of the website. The year 1997 features prominently at the top of the page as does the mark ATRO. Mr Redman highlights the fact that the "owl device" is not part of the mark shown and claims that it was not part of the ATRO trademark at that time and that contrary to Mr Horne's statement that Stanley began a re-branding exercise in 2004, it had, in fact, not used the owl device since 1997. Further, he claims there is no evidence that Stanley was entitled to use it from that date, that they have used it since 1997, or that they have actually used it at all. In support of this, at Exhibit SCR-2, Mr Redman provides a series of Stanley catalogues and product information leaflets. Four bear indications on their back cover to suggest they too were produced in 1999, one in 2000 and one in 2001. One further catalogue does not appear to bear any date indication. The catalogues all illustrate fastening/staple machines and each catalogue illustrates machines for use in a specific industry, namely the furniture industry, the packaging/carton closure industry and the construction industry. The product information leaflets relate to items such as staplers, bradders, coil nailers and stick nailers. Mr Redman draws attention to the fact that these publications show

Stanley goods bearing the ATRO mark but there is no use of the owl device. I also note that ATRO appears in use as one of a number of sub-brands used in close association with the mark STANLEY, for example the sub-brand BOSTITCH also appears regularly.

15) Mr Redman states that the examples of the mark in use in respect of staples and provided by Mr Horne in his evidence at Exhibit SH-2 relate to packaging used before 1999. In support of this, at Exhibit SCR-3, Mr Redman provides what he describes as “the current Stanley carton”. This prominently displays the mark BOSTITCH together with a less prominent STANLEY mark. I also note that an attached label providing information about the product also includes the web address www.atro-bostitch.it and a postal address in Milan, Italy.

16) At Exhibit SCR-4, Mr Redman provides a copy of a page from the website www.bostitch.co.za, dated 6 October 2008, featuring what he describes as ATRO’s most successful product. He draws attention to the re-branding of this stapler under the mark BOSTITCH. The copyright notice on this page reads “© 2008 Stanley Bostitch”.

17) Mr Redman goes on to say that Trident considered the owl device to be a discontinued and unregistered design and was chosen to highlight the TALON brand’s link to the talons of a bird of prey.

Applicant’s further evidence

18) With its written submissions, Stanley also filed additional evidence in the form of a witness statement, dated 21 October 2009, by Paula Flutter, trade mark attorney with Stanley’s representatives in these proceedings, EIP. This is to counter the statement of Mr Redman that the box of staples exhibited by Mr Horne (Exhibit SH-2) was packaging not used since 1999. Ms Flutter sets out the details of her contact of 15 October 2009 with Glover Bros. She tried to obtain a box of staples advertised on Glover’s website and as exhibited at Exhibit SH-2 of Mr Horne’s earlier witness statement. Initially, she was unable to do so because Glover Bros said it was only able to sell goods to the upholstery trade. Ms Flutter then enlisted Stanley’s support to obtain the said goods from Glover Bros. These goods were received on 21 October 2009 and at Exhibit PF-1, Ms Flutter provides a copy of the delivery details as recorded on the envelope and at Exhibit PF-2 is a copy of the box of staples showing the owl device appearing above the letters AT of the word ATRO.

Registered Proprietor’s Evidence in Reply

19) This takes the form of a further witness statement by Mr Redman, dated 18 February 2010. This statement includes both evidence of fact and submissions or arguments to counter Stanley’s further evidence. Mr Redman restates that his earlier evidence illustrates that Stanley’s rebranding process to the BOSTITCH mark began in 1997 and to be mostly completed by the year 2000. He submits that this clearly demonstrates the abandonment of the Owl device mark. He also states that Exhibit SCR-6 shows the “sole product given as evidence of “continued commercial” use has also been rebranded “BOSTITCH””. This exhibit is a copy of packaging for “72 Series Staples”. The trade source of these goods is only identified by the mark

“BOSTITCH STANLEY”. Exhibit SCR-7 is a copy of a price list of Stanley products from the year 2004 and includes an entry for the product shown in the previous exhibit. Although not clear from the exhibit itself, Mr Redman states that the price list relates to hundreds of items produced by Stanley at the ATRO factory in Italy. He states that prior to 1997, these products would have been identified by the “ATRO and owl device” mark.

20) Mr Redman states that staples, as purchased by Ms Flutter and shown at Exhibit SH-2 of Mr Horne’s witness statement, are one of the most heavily produced in the world with approximately 1,750,000 boxes sold annually in the UK. He goes on to state that, in light of this, it is not unreasonable to expect to find small quantities of old stock and that Trident itself, has a very small number of various types of staples, pins and brads that date back to the mid to late 1990s.

DECISION

The legislation

21) The case has proceeded to final determination on the basis of Sections 3(6), 5(2) (b), 5(3), 5(4) (a) and 5(4) (b) of the Act, with such grounds being relevant in invalidation proceedings in view of the provisions of Section 47(1) of the Act. The relevant parts of Section 47 of the Act read 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.

...

(3) An application for a declaration of invalidity may be made by any person, and may be made either to the registrar or to the court, except that-

(a) if proceedings concerning the trade mark in question are pending in the court, the application must be made to the court; and

(b) if in any other case the application is made to the registrar, he may at any stage of the proceedings refer the application to the court.

(4) In the case of bad faith in the registration of a trade mark, the registrar himself may apply to the court for a declaration of the invalidity of the registration.

(5) Where the grounds of invalidity exists in respect of only some of the goods or services for which the trade mark is registered, the trade mark shall be declared invalid as regards those goods or services only.

(6) Where the registration of a trade mark is declared invalid to any extent, the registration shall to that extent be deemed never to have been made: Provided that this shall not affect transactions past and closed.”

22) Firstly, it is necessary that I consider what use Stanley has made of the earlier marks on which it relies upon.

Proof of Use

23) The following parts of the Act are relevant here:

47. – ...

(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 or international trade mark (EC), 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.

* *Note: Sub-sections 2A to 2E are an addition to the original Act, by virtue of the Trade Marks (Proof of Use, etc.) Regulations 2004 (SI 2004/946) which came into force 5th May 2004.*

24) By virtue of the requirements of Section 47(2A) (a) of the Act, if the registration procedure for Stanley's earlier marks were not completed within the period of five years ending with the date of the application for the declaration of invalidity, namely 10 April 2008, then Stanley must provide proof of use of its mark between 11 April 2003 and 10 April 2008. This is the case as Stanley's marks completed their registration procedures in the early 1970s.

25) The requirements for "genuine use" have been set out by the European Court of Justice ("the ECJ") in its judgment in *Ansul BV v Ajax Brandbeveiliging BV*, Case C-40/01 [2003] RPC 40 and in its reasoned Order in Case C-259/02, *La Mer Technology Inc. v Laboratoires Goemar S.A.* [2005] ETMR 114.

26) In *Ansul*, the ECJ held as follows:

"35. ... 'Genuine use' therefore means actual use of the mark....

36. 'Genuine use' must therefore be understood to denote use that is not merely token, serving solely to preserve the rights conferred by the mark. Such use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user...

37. It follows that 'genuine use' of the mark entails use of the mark on the market for the goods or services protected by that mark and not just internal use by the undertaking concerned. The protection the mark confers and the consequences of registering it in terms of its enforceability *vis-à-vis* third parties cannot continue to operate if the mark loses its commercial *raison d'être*, which is to create or preserve an outlet for the goods or services that bear the sign of which it is composed, as distinct from the goods or services of other undertakings. Use of the mark must therefore relate to goods or services already marketed or about to be marketed and for which

preparations by the undertaking to secure customers are under way, particularly in the form of advertising campaigns...

38. Finally, when assessing whether there has been genuine use of the trade mark, regard must be had to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark is real, in particular whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods or services protected by the mark.

39. Assessing the circumstances of the case may thus include giving consideration, *inter alia*, to the nature of the goods or service at issue, the characteristics of the market concerned and the scale and frequency of use of the mark. Use of the mark need not, therefore, always be quantitatively significant for it to be deemed genuine, as that depends on the characteristics of the goods or service concerned on the corresponding market.”

27) In *La Mer* the ECJ held as follows:

21. ... it is clear from paragraph [39] of *Ansul* that use of the mark may in some cases be sufficient to establish genuine use within the meaning of the Directive even if that use is not quantitatively significant. Even minimal use can therefore be sufficient to qualify as genuine, on condition that it is deemed justified, in the economic sector concerned, for the purpose of preserving or creating market share for the goods or services protected by the mark.

22. The question whether use is sufficient to preserve or create market share for those products or services depends on several factors and on a case by case assessment which it is for the national court to carry out....

...

25. In those circumstances it is not possible to determine *a priori*, and in the abstract, what quantitative threshold should be chosen in order to determine whether use is genuine or not. A *de minimis* rule, which would not allow the national court to appraise all the circumstances of the dispute before it, cannot therefore be laid down.

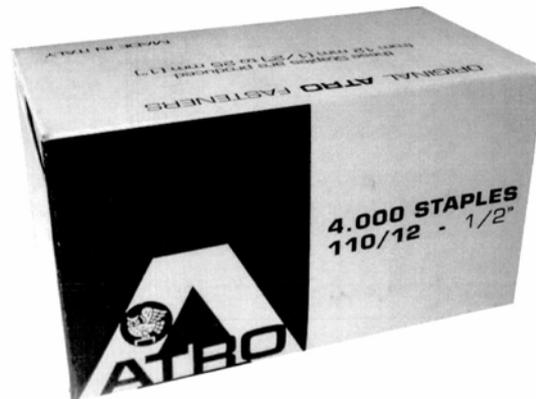
28) In its judgment in *The Sunrider Corp v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case C-416/04 P the ECJ stated:

“72 It follows that it is not possible to determine a priori, and in the abstract, what quantitative threshold should be chosen in order to determine whether use is genuine or not. A *de minimis* rule, which would not allow OHIM or, on appeal, the Court of First Instance, to appraise all the circumstances of the dispute before it, cannot therefore be laid down (see, to that effect, order in *La Mer Technology*, paragraph 25). Thus, when it serves a real commercial purpose, in the circumstances referred to in paragraph 70 of this judgment, even minimal use of the trade mark can be sufficient to establish genuine use (order in *La Mer Technology*, paragraph 27).”

29) Taking account of this guidance it is clear that genuine use does not need to be quantitatively significant and that when asking if the use is sufficient it is necessary to assess all surrounding circumstances.

30) In support of its claim to have genuinely used its earlier marks, Stanley states that it has sold the products for which the earlier marks are registered since November 1997. However, it is only the period between 11 April 2003 and 10 April 2008 that is relevant for the purposes of assessing genuine use of the earlier marks. In this respect, I note Stanley provides:

- an undated photograph of a staple or nailing machine bearing the mark;
- four photographs, two of which are undated, two dated 23 July 2008, of boxes of staples bearing a mark not identical to those registered, but a similar mark containing the same owl device and the same word ATRO. The quality of these photographs is such as to not lend themselves to the making of clear copies, but the mark used on this packaging can be seen in the representation under the following point;
- a copy of a box of staples, bearing the same mark as referred to in the point above, obtained from a third party supplier in October 2009. A representation of this box is reproduced below:



- turnover figures for 2002 and 2003 totalling more than £1.5 million, but I note that the year 2002 and up until 11 April 2003 was before the relevant period;
- an admission that in 2004 it re-branded some products and, as such, it was not possible to attribute accurate turnover figures for the years 2004 to 2007 to products provided under the mark, but it stated that it did continue trading using under the mark.

31) Trident provides evidence in an attempt to support its claim that Stanley has not used the mark since 1997. This consists of:

- an extract from the “company history” part of Stanley’s own website showing use of ATRO without the “owl device”;

- Stanley's own brochures from 1999, 2000, 2001 again showing use of ATRO only without the "owl device";

32) It also alleges that the packets of staples exhibited by Stanley relate to use before 1999 and supports this by providing an example of the current packaging used by Stanley that does not bear the earlier mark. It also claims that Stanley has not been entitled to use the "owl device" since 1997 and provides evidence in the form of Stanley's own brochures dating back to 1999, 2000 and 2001 to illustrate that Stanley did not, in fact, use the "owl device".

33) When considering Trident's criticisms, I am mindful of the following comments of Richard Arnold QC (as he then was, sitting as the Appointed Person) in *Extreme Trade Mark* [2008] RPC 2:

"36. Where, however, evidence is given in a witness statement filed on behalf of a party to registry proceedings which is not obviously incredible and the opposing party has neither given the witness advance notice that his evidence is to be challenged nor challenged his evidence in cross-examination nor adduced evidence to contradict the witness's evidence despite having had the opportunity to do so, then I consider that the rule in *Brown v Dunn* applies and it is not open to the opposing party to invite the tribunal to disbelieve the witness's evidence.

37. Despite this, it is not an uncommon experience to find parties in registry hearings making submissions about such unchallenged evidence which amount to cross-examination of the witness in his absence and an invitation to the hearing officer to disbelieve or discount his evidence. There have been a number of cases in which appeals have been allowed against the decisions of hearing officers who have accepted such submissions. ... I consider that hearing officers should guard themselves against being beguiled by such submissions (which is not, of course, to say that they should assess evidence uncritically)."

34) It is clear from the evidence submitted by Trident that Stanley markets goods under a variety of marks including STANLEY, BOSTITCH and also the word ATRO without the owl device. Stanley does not deny use of these other marks. Stanley also provides turnover figures that it claims is in respect of its two earlier marks and for at least the years 2002 and 2003, however it is only the last nine months of this period that is relevant here. It also states there have been sales of indeterminable amounts in the following four years in respect of goods relating to these earlier marks. However, in its original evidence it has not supported these claims with any exhibits that illustrate use associated with these sales figures other than undated photographs of a couple of items bearing the mark. Trident challenged such use, providing evidence to support its counter-claim that Stanley had in fact not used the mark in question since 1997. Such evidence is in the form of Stanley's own brochures from the relevant period showing use in respect of a number of marks, including ATRO alone, and without the owl device. It is my view that such evidence has raised a valid question regarding the actual use by Stanley during the relevant period.

35) In response, Ms Flutter, from Stanley's representatives in these proceedings, EIP, provided a witness statement. This witness statement provides an account of how Ms Flutter, obtained a box of staples bearing the owl device and the word ATRO from a third party supplier in October 2009. It is my view that this evidence has failed to fully discharge Stanley's burden under Section 100 of the Act and does not fully counter Trident's criticism that Mr Horne's exhibit, relating to the third party's website, shows packaging not used since 1999. Firstly, the evidence is provided by Stanley's representative rather than someone from within its organisation with firsthand knowledge of its sales history. Such a person could have authoritatively provided details of relevant sales during the relevant period. Instead, Stanley's representative, with no such direct knowledge, has approached a third party seller of Stanley's products in an attempt to obtain a box of staples bearing the mark in question. This was duly obtained in October 2009. There are a number of shortcomings with such an approach, the most obvious of which is that the act of obtaining the staples bearing the mark occurred some eighteen months after the relevant date. Trident also put forward an argument that the box of staples is an item of old stock no longer sold. Whilst this argument is not persuasive in itself, it does add some support to my view that Stanley has not discharged its burden in countering Trident's criticisms. Despite the shortcomings of its original evidence and the subsequent criticisms, Stanley has been unable to provide any direct evidence from its own records of any sales of goods in respect of the mark in question during the relevant period.

36) Taking all of the above into account, I find that, on the balance of probability, Stanley has not genuinely used the mark, as registered, during the relevant period.

Section 5(2) (b) and Section 5(3)

37) In light of my findings above, it follows that Stanley has no earlier right upon which to base its grounds under Section 5(2) (b) and Section 5(3) of the Act and as such, it follows that its opposition based upon these grounds must fail.

Section 5(4) (a)

38) There are three elements (often referred to as "the classic trinity") to consider in a claim for passing-off, namely: 1) goodwill, 2) misrepresentation and 3) damage. This ground is completely separate from that under section 5(2) (b) and a valid registered earlier mark is not a prerequisite. Nevertheless, I fail to see how Stanley can succeed here, in light of a finding that no genuine use has been made of its earlier mark during the period relevant for assessing that issue. This is because a finding of no genuine use leads to a parallel conclusion that neither have they demonstrated the existence of goodwill during the same period. Stanley would therefore need to demonstrate that it enjoyed goodwill at the relevant date of 14 April 2008 as a result of its use of its earlier signs (as represented in its two registrations) before this relevant date i.e. that it had a residual goodwill. The evidence falls short of demonstrating that even if, at some time in the past, it enjoyed such goodwill, that it still existed at this date. The evidence does illustrate that Stanley were identifying its goods by a number of other marks, such as BOSTITCH. This lends support to my view that the mark at issue had ceased to identify any goodwill that Stanley may enjoy and that that goodwill was identified, during the relevant period, by other marks

and particularly by the mark BOSTITCH. Therefore, I do not see why a member of the public, let alone a substantial number of them (as would be required for misrepresentation to occur), would believe that Trident's goods and services were the responsibility of Stanley.

Section 5(4) (b)

39) Section 5(4)(b) of the Act states:

“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) ...

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

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

40) Stanley is relying upon the law of copyright. Assuming that copyright actually exists in the mark, it is necessary to ascertain who is the owner of that copyright. However, Stanley has not provided any information regarding this beyond its original statement in its application for invalidation that “[t]he applicant is the proprietor of copyright in the device element...” It is disclosed (and unchallenged) that Stanley obtained its marks, relied on in the current proceedings, by assignment in 1997 having been first registered on 5 November 1971. The implication from such a statement is that Stanley also obtained, by assignment, the copyright in the same marks. However, as I have already mentioned the assignment document provided by Stanley is silent on this point. The inference I take from this is that the copyright in the marks was not assigned. It appears to me that any assignment would have been governed by Section 90 of the Copyright, Designs and Patents Act 1988 (“the CDPA”) as the assignment would have been conducted after the commencement of the CDPA. This reads:

90 Assignment and licences

(1) Copyright is transmissible by assignment, by testamentary disposition or by operation of law, as personal or moveable property.

(2) An assignment or other transmission of copyright may be partial, that is, limited so as to apply –

(a) to one or more, but not all, of the things the copyright owner has the exclusive right to do;

(b) to part, but not the whole, of the period for which the copyright is to subsist.

(3) An assignment of copyright is not effective unless it is in writing signed by or on behalf of the assignor.

(4) A licence granted by a copyright owner is binding on every successor in title to his interest in the copyright, except a purchaser in good faith for valuable consideration and without notice (actual or constructive) of the licence or a person deriving title from such a purchaser; and references in this Part to doing anything with, or without, the licence of the copyright owner shall be construed accordingly.

41) The general provisions detailed in the transitional arrangements relating to the CDPA state, at paragraph 3 of Schedule 1, that the provisions of the CDPA “apply in relation to things existing at commencement as they apply in relation to things coming into existence after commencement, subject to any express provision to the contrary”. In the absence of such an express provision, where a work protected by copyright existed prior to commencement of the CDPA, when assigned after commencement of the CDPA, that assignment will be governed by the provisions of the CDPA. With this in mind, any assignment of the copyright to Stanley from the previous owner when the marks were assigned must, by virtue of Section 90(3) of the CDPA, be made in writing. As assignment of the copyright is not covered by the assignment agreement exhibited by Stanley, the invalidation action based upon a claimed right to the copyright in the device element of Stanley’s earlier marks must be dismissed.

Section 3(6)

42) Section 3(6) of the Act 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.”

43) In terms of the date at which the matter falls to be considered, it is well established that the relevant date for consideration of a bad faith claim is the application filing date (*Chocoladefabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH*, Case C-529/07 paragraph 35).

44) The meaning of bad faith in Section 3(6) of the Act has been considered in *Gromax Plastics Ltd v. Don & Low Nonwovens Ltd* [1999] RPC 367 and the meaning of bad faith, more generally has also been considered in *Harrison v. Teton Valley Trading Co* [2005] FSR 10 and *Twinsectra v Yardley* [2002] 2 AC 164. 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 their action in applying for the mark in the light of all the surrounding circumstances, including knowing what it may have known, would have been considered contrary to normally accepted standards of honest conduct. Thus, in considering the actions of Trident, 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.

45) Stanley claims that, as Trident were a distributor for Stanley until 2005, it must have known it was not entitled to seek protection for the owl device. However, Stanley's failure to answer the criticism that it did not, in fact, use its earlier marks after 1999 supports the contention that Trident was entitled to believe that, some eight years later, when it applied to register its own mark comprising the contested owl device, that it had been abandoned by Stanley. I have also found that Stanley does not retain any goodwill identified by the contested mark. Taking all these points together, they support my view that Trident was entitled to believe that the mark had been abandoned. In summary, I find that there is no evidence of Trident acting in bad faith and the ground of invalidity based upon Section 3(6) of the Act is dismissed.

Costs

46) The invalidation action having failed, Trident Group UK Limited is entitled to a contribution towards its costs. Trident has not been legally represented in these proceedings and it is the Registrar's practice to award costs to litigants in person at half the rate that he awards them where a party has had legal representation.

47) I award costs upon the following basis:

Consideration of form TM26(I) and statement of case in reply	£200
Preparing evidence and considering other party's evidence	£600
Written submissions	£200
TOTAL	£1000

48) I order the Stanley Works C.V. to pay Trident Group UK Limited the sum of £1000. 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 19 day of May 2010

**Mark Bryant
For the Registrar
The Comptroller-General**