

O-237-13

TRADE MARKS ACT 1994

IN THE MATTER OF AN APPLICATION UNDER NO 84420
BY ADAM MULLALLY
TO DECLARE INVALID REGISTRATION NO 2595978
IN THE NAME OF JAMES HAWKEN

Background

1. Registration 2595978 has a filing date of 27 September 2011, was published in the *Trade Marks Journal* on 4 November 2011 and was entered on the register on 13 January 2012. It stands in the name of James Hawken (“the registered proprietor”). Details of the registration are as follows:

Trade mark: magic tap

Specification: Class 11
Ornamental fountains [water features]

Class 35:
Retail services connected with the sale of ornamental fountains
[water features]

2. On 22 May 2012, Adam Mullally (“the applicant”) filed an application seeking to declare the registration invalid. The application is made under grounds founded on sections 3(6) and 5(4)(a) of the Act.

3. The registered proprietor filed a counterstatement in which, essentially, he denied the claims made.

4. Both parties filed evidence. Neither party requested a hearing and thus, I give this decision after a careful review of all of the papers before me.

Decision

5. Neither party has been professionally represented in these proceedings. In view of this, I intend to set out each party’s case in full. The applicant puts his case under section 3(6) of the Act as follows:

“We believe the trade mark should not have been registered because it was made in bad faith for the following reasons:

My father and I conceived the Magic Tap Fountain as a garden water feature in the latter end of 2011 and first half of 2012. During this time, we created a unique design for the feature in the form of a fully working prototype and had completed the necessary CE certification to enable its legal manufacture and sale in the EU. We set up a limited company named Magic Tap Fountains on 18th March 2011 (certificate attached). We manufactured a number of the units and in May 2011 and June 2011, promoted the product at the Spring Garden and Leisure Show and The South of England Shows respectively, both hosted at the South of England Centre in Ardingly, West Sussex. We also opened our E Bay shop and started marketing the product in April 2011.

At the South of England show in June 2011, we were approached by Jeff Lockhart of Yorkshire Water Features who expressed interest in our product. He sold a range of other types of water features (see www.yorkshirewaterfeatures.co.uk) and explained that he exhibited at many

shows during the year. We entered into an informal commercial agreement where he would exhibit our product on his stand (one of which we supplied to him free of charge) and he would take orders on our behalf for a commission fee per unit. The order details and payment were then to be passed to us to enable us to dispatch the product to the customer.

In July 2011, we registered our design with the intellectual property office (registration number 4020636) to protect our interests.

Later on, we learned that in collusion with James Hawken of "Magictap.co.uk" they (Yorkshire Water Features) had started to manufacture and retail a product virtually identical to ours which infringes our design registration number 4020636 and moreover in September 2011 registered the trade mark "Magic Tap" which is very close to our already existing company name and the product our company was set up to manufacture and retail, the Magic Tap Fountain. These statements can be verified by visiting the websites www.yorkshirewaterfeatures.co.uk and www.magictap.co.uk.

It was apparent to us that "Magictap.co.uk" were working in collusion with Yorkshire Water Features as "MagicTap.co.uk" are featured on Yorkshire Water Feature's website where they are referred to as their agent.

All this has taken place despite the fact that Jeff Lockhart of Yorkshire Water Features gave assurance that he would not attempt to copy our product in any way which was the basis of our commercial agreement that we discussed and shook hands upon."

6. In relation to the application made under section 5(4)(a) of the Act, the applicant relies on use of the mark MAGIC TAP FOUNTAIN since 11 June 2011 in relation to water features. He states:

"We have been manufacturing, marketing and selling water features under the Magic Tap Fountain mark since early 2011. Since then, we have established reputation and goodwill in this mark in relation to our product. The "MAGIC TAP" mark is deceptively similar to the opponent's (sic) earlier magic tap fountain mark so as to deceive the public that the goods offered by the applicant (sic) are identified with the opponent (sic), resulting in misplaced business. The use of the applicant's (sic) trade mark also infringes my common law right in the earlier mark.

Since designing, marketing and selling our product under the MAGIC TAP FOUNTAIN mark, significant reputation and goodwill has been acquired by us. This can be evidenced by the attached customer feedback received in connection with our product.

Given the near identical nature of the marks and the fact that the design of the product being marketed by the applicant (sic) is identical to that of the opponent, (sic) the public is clearly being deceived as to the origin of the products.

Moreover, we are suffering real damage to our sales as since registering the trade mark, James Hawken of Magic Tap has contacted E Bay, claiming to be the rights owner of this product based on his trade mark registration and has successfully had our product removed from E-Bay (our main source of business). This occurred on 29th February 2012. We have been advised by E-Bay that we cannot re-instate our product in our E-Bay shop unless we have express permission from "Magictap.co.uk."

7. In his counterstatement, the registered proprietor states:

"The design right granted to A. Mullally ESQ in 2011 (No 4020636) is invalid and untrue, rendering his claim for invalidity in "bad faith" for my Trademark MAGIC TAP itself invalid and without merit. I shall list specific claims and answer each one on the attached papers, TM2, TM3, TM4, TM5, TM6.

- (1) Mr Mullally states he "conceived the Magic Tap Fountain as a garden feature."
- (2) "We set up a limited company name Magic Tap Fountains"
- (3) "Since designing, marketing and selling our product under the Magic Tap Fountain mark"...

8. The registered proprietor attaches the following statements:

TM2

- (1) This water feature has been designed, created, published and NAMED an identical name since 1983 in the EEC and Economic Region of Europe and the Internet using different terms such as water tap, magic faucet, floating faucet, magic lope and Magic Tap Fountains. If you are the inventor and conceived this product (as per A Mullally Esq claims 3(6) second paragraph opening statement) you cannot have the same water feature functionality, the same name and appearance, be able to view it globally prior to your claims of July 2011, because you have invented it. This claim by A Mullally Esq is a total falsehood.
- (2) You can call a limited company whatever you want. This name, Magic Tap Fountains, has already been published prior to A Mullally's claims globally.
- (3) The word fountain as described by Oxford Dictionary "an ornamental structure in a pool or lake from which one or more jets of water are pumped into the air". This is what A Mullally Esq has called his business. A Mullally Esq is VERY SPECIFIC in the naming of his product, Magic Tap Fountain(s) even though this is not new, and has been published globally prior to July 2011. My company is called magictap.co.uk and the Oxford definition is "no exact results were found for magic tap". To say that the words, slogan and name are similar and that 5(4)(a) 4. "so as to deceive the public" , the only person who is being deceitful here is A Mullally Esq.

TM3

A Mullally Esq continues 5(4)(a)4. “resulting in misplaced business”. The public can identify which products I sell and which singular product A Mullally Esq sells as he uses websites and I use my website, magictap.co.uk. According to the UK Inland Revenue Service (sic), Paypal, Santander Plc, UK IPO, TNT plc etc my trading name for my trading company is legal, original and not “deceiving” or similar to the term Magic tap fountains in any shape or form. The domain name I purchased was freely available to me, as it was to A Mullally Esq before he chose Magictapfountains.co.uk, because that is what he calls his feature and his company. If A Mullally Esq was the creator, inventor and had naming rights of the product (a) How was the name freely available to buy? If you are the inventor, the name cannot exist. Example- sploofericious. That IS new and I, James Hawken, have just invented it. (b) Why did he not buy magictap.co.uk himself when it was freely available?. He didn't buy the name because it was not what he wanted to call his feature and his company. He called his business magictapfountains.co.uk which is totally different from my legal trading name and totally different in meaning. There is no confusion here for the public. My goods are original in creation and appearance and are freely available to view on magictap.co.uk and are called magictaps, water barrels, magic cans etc.

As per Youtube's rules on publishing images which are not owned by me, I cannot attach physical pictures of the water features which have been named, made and retailed since 1983, 29 years prior to A Mullally's claims. So, Under TM6, I have listed the links for your perusal. I have added specific text under some links which relates and identifies clearly that A Mullally's claim to naming rights and originality of product are false.

TM4

A Mullally's Esq cannot have the monopoly of this water feature as per design right 4020636 because it is clearly not new, not novel and is a direct copy of previously made water features in this field. Please go to www.deceptology.com and view in particular, video no.7. This is the same tap as per his design 4020636 published globally on 4th April 2007. His design right clearly shows 2 different tap designs. Which tap is it? There is no evidence to demonstrate it is a multi-tap design image, so therefore it must be invalid. Since there is the same design available to view from 2007, A Mullally esq has the monopoly for this appearance? According to the IPO regulations regarding “design right”, No. Therefore his claim for invalidity for naming rights and design right against my IPO granted trademark is invalid. My company demonstrably shows our water features in a totally original style, image and overall functionality. We make these water features using 16 different size bases, 7 different style of taps, 6 different style's of night light colour effect which when put together are totally unique in the world, as of today.

To say there is “bad faith” and “public confusion” is a total falsehood.

TM5

Finally, A Mullally' quote from 5(4)(a) second paragraph "the fact that the design of the product being marketed by the applicant is identical to that of the opponent, the public is clearly being deceived as to the origin of the products". Who is deceiving who here.? My product is clearly NOT identical and A Mullally Esq is NOT the originator of the product.

At no point have I claimed to be the original inventor and creator of the product because that is deception, but A Mullally Esq does which is deceiving the public and as I have demonstrably shown, he is not the original inventor or "conceiver".

A Mullally Esq has no common law right in the earlier mark; it has been demonstrably proven in the enclosed evidence."

Item TM6, which I do not reproduce here, consists of a list of internet site links.

9. As I indicated above, neither party has been professionally represented in these proceedings. Both parties have referred me to various websites. If they had wanted me to see the material on those websites, it should have been filed in evidence. It was not. Given the contents of their respective claims, it would appear that neither party is experienced in intellectual property law in general or trade mark law in particular nor in the different and separate legal effects which accrue to the registration of company names, domain names and trade marks. Similarly, the evidence filed by each party is equally largely irrelevant to the issues to be determined. For these reasons, I do not intend to provide a full summary of the evidence filed but will refer to it as necessary in this decision. The evidence filed consists of the following:

Applicant's evidence/evidence in reply

Witness statements (2) of Adam Mullally with exhibits AM1-7

Witness statement of Andrew Barry Brindle of Brindle Intellectual Property Ltd with exhibit AB1

Registered Proprietor's evidence

Witness statement of James Hawken and exhibits JH1-5

The objection under section 3(6) of the Act

10. Section 3(6) of the Act states:

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

11. In case O/094/11 [*Jan Adam*] Mr Geoffrey Hobbs Q.C. acting as the Appointed Person summed up the test for bad faith in the following manner:

“31. The basic proposition is that the right to apply for registration of a trade mark cannot validly be exercised in bad faith. The invalidity of the application is not conditional upon the trade mark itself being either registrable or unregistrable in relation to any goods or services of the kind specified. The objection is absolute in the sense that it is intended to prevent abusive use of the system for acquiring title to a trade mark by registration. Any natural or legal person with the capacity to sue and be sued may pursue an objection on this ground: see the Judgment of the Court of Justice in Case C-408/08P Lancôme parfums et beauté & Cie SNC v. OHIM [2010] ECR I-00000 at paragraph [39] and the Opinion of Advocate General Ruiz-Jarabo Colomer at paragraphs [63] and [64]. Since there is no requirement for the objector to be personally aggrieved by the filing of the application in question, it is possible for an objection to be upheld upon the basis of improper behaviour by the applicant towards persons who are not parties to the proceedings provided that their position is established with enough clarity to show that the objection is well-founded.

32. Any attempt to establish bad faith must allow for the fact that there is nothing intrinsically wrong in a person exercising *‘the right to apply the rules of substantive and procedural law in the way that is most to his advantage without laying himself open to an accusation of abuse of rights’* as noted in paragraph [121] of the Opinion delivered by Advocate General Trstenjak in Case C-482/09 Budejovicky Budvar NP v. Anheuser-Busch Inc on 3 February 2011. In paragraph [189] of his judgment at first instance in Hotel Cipriani SRL v. Cipriani (Grosvenor Street) Ltd [2009] EWHC 3032 (Ch); [2009] RPC 9 Arnold J. likewise emphasised:

... that it does not constitute bad faith for a party to apply to register a Community trade mark merely because he knows that third parties are using the same mark in relation to identical goods or services, let alone where the third parties are using similar marks and/or are using them in relation to similar goods or services. The applicant may believe that he has a superior right to registration and use of the mark. For example, it is not uncommon for prospective claimants who intend to sue a prospective defendant for passing off first to file an application for registration to strengthen their position. Even if the applicant does not believe that he has a superior right to registration and use of the mark, he may still believe that he is entitled to registration. The applicant may not intend to seek to enforce the trade mark against the third parties and/or may know or believe that the third parties would have a defence to a claim for infringement on one of the bases discussed above. In particular, the applicant may wish to secure exclusivity in the bulk of the Community while knowing that third parties have local rights in certain areas. An applicant who proceeds on the basis explicitly provided for in Art. 107 can hardly be said to be abusing the Community trade mark system.

These observations were not called into question in the judgment of the Court of Appeal in that case: [2010] EWCA Civ 110; [2010] RPC 16. They were re-

affirmed by Arnold J. in Och-Ziff Management Europe Ltd v. Och Capital LLP [2011] ETMR 1 at paragraph [37].

33. The line which separates legitimate self-interest from bad faith can only be crossed if the applicant has sought to acquire rights of control over the use of the sign graphically represented in his application for registration in an improper manner or for an improper purpose. The appropriate remedy will in that case be rejection of the offending application for registration to the extent necessary to render it ineffective for the purpose which made it objectionable in the first place.

34. In a case where the relevant application fulfils the requirements for obtaining a filing date, the key questions are: (1) what, in concrete terms, is the objective that the applicant has been accused of pursuing? (2) is that an objective for the purposes of which the application could not properly be filed? (3) is it established that the application was filed in pursuit of that objective? The first question serves to ensure procedural fairness and clarity of analysis. The second question requires the decision taker to apply a moral standard which, in the absence of any direct ruling on the point from the Court of Justice, is taken to condemn not only dishonesty but 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'*: Gromax Plasticulture Ltd v. Don & Low Nonwovens Ltd [1999] RPC 367 at 379 (Lindsay J). The third question requires the decision taker to give effect to the principle that innocence must be presumed in the absence of evidence sufficient to show that the applicant has acted improperly as alleged.

35. In assessing the evidence, the decision taker is entitled to draw inferences from proven facts provided that he or she does so rationally and without allowing the assessment to degenerate into an exercise in speculation. The Court of Justice has confirmed that there must be an overall assessment which takes into account all factors relevant to the particular case: Case C-529/07 Chocoladefabriken Lindt & Sprüngli AG v. Franz Hauswirth GmbH [2009] ECR I-4893 at paragraph [37]; Case C-569/08 Internetportal und Marketing GmbH v. Richard Schlicht [2010] ECR I-00000 at paragraph [42]. As part of that assessment it is necessary as part of that approach to consider the intention of the applicant at the time when the application was filed, with intention being regarded as a subjective factor to be determined by reference to the objective circumstances of the particular case: Chocoladefabriken Lindt & Sprüngli GmbH (above) at paragraphs [41], [42]; Internetportal und Marketing GmbH (above) at paragraph [45]. This accords with the well-established principle that 'national courts may, case by case, take account on the basis of objective evidence of abuse or fraudulent conduct on the part of the persons concerned in order, where appropriate, to deny them the benefit of the provisions of Community law on which they seek to rely': Case C16/05 The Queen (on the applications of Veli Tum and Mehmet Dari) v. Secretary of State for the Home Department [2007] ECR I-7415 at paragraph [64].

36. The concept of assessing subjective intention objectively has recently been examined by the Court of Appeal in the context of civil proceedings

where the defendant was alleged to have acted dishonestly: Starglade Properties Ltd v. Roland Nash [2010] EWCA Civ 1314 (19 November 2010). The Court considered the law as stated in Royal Brunei Airlines v. Tan [1995] 2 AC 378 (PC), Twinsectra Ltd v Yardley [2002] 2 AC 164 (HL), Barlow Clowes International Ltd v. Eurotrust International Ltd [2006] 1 WLR 1476 (PC) and Abu Rahman v. Abacha [2007] 1 LLRep 115 (CA). These cases were taken to have decided that there is a single standard of honesty, objectively determined by the court and applied to the specific conduct of a specific individual possessing the knowledge and qualities that he or she actually possessed: see paragraphs [25], [28], [29] and [32]. This appears to me to accord with treating intention as a subjective factor to be determined by reference to the objective circumstances of the particular case, as envisaged by the judgments of the Court of Justice relating to the assessment of objections to registration on the ground of bad faith.”

12. The principles of what constitutes bad faith were further summarised by the High Court in *Red Bull GmbH v Sun Mark Limited, Sea Air & Land Forwarding Limited* [2012] EWHC 1929 (Ch) where it said:

“130 A number of general principles concerning bad faith for the purposes of section 3(6) of the 1994 Act/ Article 3(2)(d) of the Directive/ Article 52(1)(b) of the Regulation are now fairly well established. (For a helpful discussion of many of these points, see N.M. Dawson, “Bad faith in European trade mark law” [2011] IPQ 229.)

131 First, the relevant date for assessing whether an application to register a trade mark was made in bad faith is the application date: see *Case C-529/07 Chocoladenfabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH* [2009] ECR I-4893 at [35].

132 Secondly, although the relevant date is the application date, later evidence is relevant if it casts light backwards on the position as at the application date: see *Hotel Cipriani Srl v Cipriani (Grosvenor Street) Ltd* [2009] EWHC 3032 (Ch), [2009] RPC 9 at [167] and cf. *Case C-259/02 La Mer Technology Inc v Laboratoires Goemar SA* [2004] ECR I-1159 at [31] and *Case C-192/03 Alcon Inc v OHIM* [2004] ECR I-8993 at [41].

133 Thirdly, a person is presumed to have acted in good faith unless the contrary is proved. An allegation of bad faith is a serious allegation which must be distinctly proved. The standard of proof is on the balance of probabilities but cogent evidence is required due to the seriousness of the allegation. It is not enough to prove facts which are also consistent with good faith: see *BRUTT Trade Marks* [2007] RPC 19 at [29], *von Rossum v Heinrich Mack Nachf. GmbH & Co KG* (Case R 336/207–2, OHIM Second Board of Appeal, 13 November 2007) at [22] and *Funke Kunststoffe GmbH v Astral Property Pty Ltd* (Case R 1621/2006-4, OHIM Fourth Board of Appeal, 21 December 2009) at [22].

134 Fourthly, bad faith includes not only dishonesty, but 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”: see *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] RPC 367 at 379 and DAAWAT Trade Mark (Case C000659037/1, OHIM Cancellation Division, 28 June 2004) at [8].

135 Fifthly, section 3(6) of the 1994 Act, Article 3(2)(d) of the Directive and Article 52(1)(b) of the Regulation are intended to prevent abuse of the trade mark system: see *Melly's Trade Mark Application* [2008] RPC 20 at [51] and CHOOSI Trade Mark (Case R 633/2007-2, OHIM Second Board of Appeal, 29 February 2008) at [21]. As the case law makes clear, there are two main classes of abuse. The first concerns abuse vis-à-vis the relevant office, for example where the applicant knowingly supplies untrue or misleading information in support of his application; and the second concerns abuse vis-à-vis third parties: see Cipriani at [185].

136 Sixthly, in order to determine whether the applicant acted in bad faith, the tribunal must make an overall assessment, taking into account all the factors relevant to the particular case: see *Lindt v Hauswirth* at [37].

137 Seventhly, the tribunal must first ascertain what the defendant knew about the matters in question and then decide whether, in the light of that knowledge, the defendant's conduct is dishonest (or otherwise falls short of the standards of acceptable commercial behaviour) judged by ordinary standards of honest people. The applicant's own standards of honesty (or acceptable commercial behaviour) are irrelevant to the enquiry: see *AJIT WEEKLY Trade Mark* [2006] RPC 25 at [35]-[41], *GERSON Trade Mark* (Case R 916/2004-1, OHIM First Board of Appeal, 4 June 2009) at [53] and *Campbell v Hughes* [2011] RPC 21 at [36].

138 Eighthly, consideration must be given to the applicant's intention. As the CJEU stated in *Lindt v Hauswirth* :

“41. ... in order to determine whether there was bad faith, consideration must also be given to the applicant's intention at the time when he files the application for registration.

42. It must be observed in that regard that, as the Advocate General states in point 58 of her Opinion, the applicant's intention at the relevant time is a subjective factor which must be determined by reference to the objective circumstances of the particular case.

43. Accordingly, the intention to prevent a third party from marketing a product may, in certain circumstances, be an element of bad faith on the part of the applicant.

44. That is in particular the case when it becomes apparent, subsequently, that the applicant applied for registration of a sign as a Community trade mark without intending to use it, his sole objective being to prevent a third party from entering the market.

45. In such a case, the mark does not fulfil its essential function, namely that of ensuring that the consumer or end-user can identify the origin of the product or service concerned by allowing him to distinguish that product or service from those of different origin, without any confusion (see, inter alia, *Joined Cases C-456/01 P and C-457/01 P Henkel v OHIM* [2004] ECR I-5089 , paragraph 48).”

13. 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 or at least a date no later than that (*Chocoladefabriken Lindt & Sprüngli AG v. FranzHauswirth GmbH* [2009] ECR I-4893; *Hotpicks Trade Mark*, [2004] RPC 42 and *Nonogram Trade Mark*, [2001] RPC 21). In this case, the relevant date is 27 September 2011.

14. The applicant’s claim under this ground, as set out in his application, is somewhat vague but, as I understand it, he claims that Mr Hawken’s trade mark registration is not valid because:

- In 2011, Mr Mullally and his company Magic Tap Fountains Ltd designed, created and sold an ornamental water feature under the mark MAGIC TAP;
- Mr Mullally applied for, and was granted, a certificate of registration of Design for a water feature in the form of an apparently unconnected tap;
- Mr Mullally/Magic Tap Fountains Ltd and Jeff Lockhart/Yorkshire Water Features Ltd entered into a commercial agreement relating to the marketing and sale of the former’s Magic Tap product;
- Mr Hawken did not market or sell a product under the mark MAGIC TAP at any time prior to the commercial agreement between Mr Mullally/Magic Tap Fountains Ltd and Jeff Lockhart/Yorkshire Water Features Ltd;
- Yorkshire Water Features Ltd and Mr Hawken had a commercial relationship. Through this relationship, Mr Hawken was aware of the product being sold by Mr Mullally and his company under the mark Magic Tap and worked “in collusion” with Yorkshire Water Features Ltd to apply for trade mark registration;
- Mr Hawken has a website magictap.co.uk;
- Mr Hawken applied for the registration in bad faith.

15. No evidence has been filed to show that either the applicant or his company actually designed or created an ornamental water feature (whether or not in the form which is the subject of the design referred to above), however, nothing rests on this. At AM1 to Mr Mullally’s first witness statement, he exhibits a copy of the certificate granting him a registered design under the number 4020636. The certificate shows

that the application was applied for on 1 July 2011 and that it was granted on 27 October 2011. It was granted “in respect of the application of such design to: Magic tap fountain garden water feature”. Mr Hawken claims that the design registration is itself invalid, however, as it is registered it is presumed to be valid unless and until a successful challenge is made against it. In any event, whether or not there is a valid design registration is not material to the question of whether Mr Hawken applied for his trade mark registration in bad faith.

16. The applicant claims he has made sales of ornamental water features under the mark Magic Tap/ Magic Tap Fountain but no evidence has been filed which provides details of the turnover of any sales he or his company may have made under either mark. Neither has he provided any evidence to show what, if any advertising he may have undertaken. Mr Mullally exhibits, at AM2, a print out from the eBay website which he says shows he has made sales of an ornamental water feature under his mark. The 2 page document lists feedback said to be from buyers of various articles. Nowhere on these two pages is any reference made to Mr Mullally or his company. The feedback profile refers to the dealer being “aguitarman 100”. Mr Mullally does not state that this is his listing but, at AM5, he has exhibited an email from eBay. The email provides notification that an eBay listing is being removed from the site because of “Trademark Breach-Unauthorised listing Content” and indicates that it is addressed to ADAM MULLALLY (aguitarman 100). The notification was sent to “enquiries@magictapfountain. I am prepared to accept that Mr Mullally is ‘aguitarman 100’. Some of the feedback comments (14 entries out of 25) are said to relate to ‘Magic Tap Fountain Amazing Garden Water Feature’ which are referred to under four different code numbers but there is nothing to show what the goods were specifically or how and when they were advertised for sale. The dates of the relevant feedback range from 10 May 2011 to 3 December 2012 but nothing is given to show when any sales were actually made, who the customers might have been and where they were based or what, specifically, they may have bought. No invoices for any sales made or advertising have been provided.

17. In his first witness statement, Mr Mullally states that on 11 June 2011, Magic Tap Fountains Ltd entered into a commercial agreement with Yorkshire Water Features Ltd. In his application, he refers to this as being an “informal agreement” but, at AM3, exhibits what he describes as “printouts from e-mail exchanges which frame the relationship”. The exhibit consists of three pages showing an exchange between Mr Mullally and Mr Lockhart of Yorkshire Water Features Ltd. They record 5 emails exchanged between the two men between 27 June 2011 to 29 June 2011. In the earliest email, Mr Lockhart informs Mr Mullally that he:

“...displayed your Magic Tap for 1 day at Cheshire and 1 day at Lincoln Shows where unfortunately the weather was very poor and although it got lots of interest (as ours did) sales were very poor”.

The email goes on to state:

“Today I have received an order on our website [name and address supplied] she has paid us the £149.00 so can you please arrange delivery and when can this be done? Can you also invoice us and send your BACS details so we can pay you the £129.”

In response, Mr Mullally sent an email the same day. It includes the following:

“If you could just dispatch the barrel as soon as you get a chance, that would be great. Good news that you’ve sold a fountain on your website, however I notice that you have only charged £149. Does this mean you have not charged the £10 extra for delivery as we had discussed?”

Mr Mullally sent another email two days later (29 June). He was chasing up payment and asking how “Jeff” intended to “resolve the issue of delivery charge.” Mr Lockhart replied within the hour confirming that he had:

“just BACSD the money to your account -£139.00 as it was my cock up”

18. This exchange shows there was some sort of commercial relationship between the two men and/or their businesses but other than showing that Mr Lockhart was to provide a barrel and Mr Mullally was sending something to a customer for which Mr Lockhart had received payment and was remitting part of that payment to Mr Mullally, the exhibit does not provide any detail of what that relationship was. It certainly does not show the terms of any agreement that may have been reached between them (whether formal or informal) or in relation to what goods sold under what or which person’s trade mark. I note, in passing, that the first of the emails does refer to Mr Mullalley’s Magic Tap, but the use of “as did ours” as set out above, could, on the face of it, equally indicate that Mr Lockhart also had a Magic Tap product.

19. The trade mark the subject of these proceedings is not, of course, registered in the name of Yorkshire Water Features but instead is in the name of Mr Hawken. There is no dispute that Mr Hawken has registered the domain name magictaps.co.uk but the registration of a domain name serves a different legal purpose to the registration of a trade mark and, without more, cannot show that a trade mark application was filed in bad faith.

20. The applicant has provided no evidence that Mr Hawken was aware that Yorkshire Water Features Ltd was selling Mr Mullally’s product. Even if Mr Hawken was aware of a relationship between them, there is no evidence to show that he knew what the product was or the mark under which it was being sold or that the product was that of Mr Mullally or his company. And whilst Mr Mullally claims that Mr Hawken had a commercial relationship with Yorkshire Water Features Ltd, he does not provide any evidence to show what that relationship might have been or how it would impact on Mr Hawken’s trade mark registration. At AM6, Mr Mullally does exhibit a copy of a letter sent on his behalf by Mr Bridle to Mr Hawken which is dated 4 April 2012 (a further copy of which is also exhibited to Mr Bridle’s own witness statement). That letter serves to inform Mr Hawken of the existence of the design registration and Magic Tap Fountain’s claim to have conceived the mark MAGIC TAP “for use with the products”. (It does not say whether the mark was actually used and, if so, in respect of what goods). The letter also advises Mr Hawken that Magic Tap Fountains Ltd entered into a commercial agreement with Yorkshire Water Features Ltd (though does not set out any terms of that agreement). At AM7, Mr Mullally exhibits a copy of Mr Hawken’s reply to Mr Bridle. It is dated 10 April 2012.

In the letter Mr Hawken states that he has never met Mr Bridle's client. In relation to the design registration, he queries what, specifically, is being claimed by way of it. In relation to Mr Hawken's trade mark, he confirms that he has known and traded alongside Yorkshire Water Features at "national and local shows for the last 5 years" but rejects "your attempt on me to restrict my business". None of this material assists the applicant.

21. The applicant claims that he and his company conceived the trade mark MAGIC TAP and used it in relation to the sale of his products. He further claims that he "learned" (no source is given) that Mr Hawken has "colluded" with Yorkshire Water Features Ltd, presumably by usurping that trade mark. But the evidence filed on behalf of the applicant does not substantiate his claims. In short, there is no evidence that Mr Hawken filed the application for registration of the trade mark in bad faith. The application for invalidation founded on grounds under section 3(6) of the Act fails.

The objection under section 5(4)(a) of the Act

22. Section 5(4)(a) 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) 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 the Act as the proprietor of an "earlier right" in relation to the trade mark."

23. In deciding whether the mark in question offends against this section, I intend to adopt the guidance given by the Appointed Person, Mr Geoffrey Hobbs Q.C., in the *WILD CHILD* case [1998] RPC 455. In that decision Mr Hobbs stated that:

"The question raised by the grounds of opposition is whether normal and fair use of the designation WILD CHILD for the purposes of distinguishing the goods of interest to the applicant from those of other undertakings (see section 1(1) of the Act) was liable to be prevented at the date of the application for registration (see Article 4(4)(b) of the Directive and section 40 of the Act) by enforcement of rights which the opponent could then have asserted against the applicant in accordance with the law of passing off.

A helpful summary of the elements of an action for passing off can be found in Halsbury's Laws of England (4th Edition) Vol. 48 (1995 reissue) at paragraph 165. The guidance given with reference to the speeches in the House of Lords in *Reckitt & Colman Products Ltd v. Borden Inc.* [1990] R.P.C. 341 and

Erven Warnink BV v. J. Townsend & Sons (Hull) Ltd [1979] AC 731 is (with footnotes omitted) as follows:

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

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

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

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

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

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

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

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

- (a) the nature and extent of the reputation relied upon;

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

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

24. In accordance with the comments of the GC in *Last Minute Network Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Joined Cases T-114/07 and T-115/07, the material date at which the matter is to be determined is the date of the application for registration: 27 September 2011.

25. This ground of objection can be dealt with fairly briefly. The applicant claims that the product he sells was first created in the latter half of 2011 and first half of 2012 but also claims that it was promoted earlier than this (May/June 2011) and that marketing started even earlier (April 2011). No explanation is given for how marketing can start before the product is created. The applicant claims that he first used the mark MAGIC TAP FOUNTAIN in respect of *water features* on 11 June 2011 at the South of England Show in Ardingly, West Sussex but has provided no evidence to support this claim. He has provided no evidence of any turnover to show what, if any, goods have been sold under the mark, no invoices or details of customers and their location nor has he provided any evidence of any marketing he may have undertaken. In short, there is no evidence that Mr Mullally had any goodwill under the mark MAGIC TAP FOUNTAIN at the relevant date. The objection under this ground falls at the first hurdle.

Summary

26. The application for a declaration of invalidity fails on each of the grounds on which it is brought.

Costs

27. The application having failed, Mr Hawken is entitled to an award of costs in his favour. Like Mr Mullally, Mr Hawken has represented himself in these proceedings but his involvement has been limited to filing a counterstatement and a very short witness statement. I do not consider it to be proportionate to carry out a detailed enquiry as to the costs of preparing those documents. Whilst they were of minimal assistance to me in reaching a decision, he filed what he considered was appropriate

and they would have taken some time and effort to prepare. I consider that Mr Hawken is entitled to an award in the sum of £100 as a contribution to his costs.

28. I order Adam Mullally to pay James Hawken the sum of £100. 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 5th day of June 2013

**Ann Corbett
For the Registrar
The Comptroller-General**