

O-450-14

TRADE MARKS ACT 1994

**TRADE MARK APPLICATION NO. 3000875
BY JARAD PELTIER
TO REGISTER THE TRADE MARK**



IN CLASS 25

AND

**THE OPPOSITION THERETO UNDER NO. 400713
BY BLACK MARKET GROUP LTD**

Background and pleadings

1. Jarad Peltier applied to register the trade mark shown below, number 3000875, in the UK on 7 April 2013:



The application was accepted and published in the Trade Marks Journal on 17 May 2013 in respect of the following goods in class 25:

Clothing, footwear, headgear; Leather belts [clothing]; Athletic clothing; Casual clothing; Clothing made of leather; Denims [clothing]; Jogging bottoms [clothing].

2. Black Market Group LTD (“the opponent”) opposes the trade mark on the basis of Sections 5(3) and 5(4) (a) of the Trade Marks Act 1994 (“the Act”). The ground under section 5(3) is on the basis of its earlier registered mark, BLACK MARKET, number 1432845, applied for on 11 June 1990 and registered on 11 June 1993. The opponent claims that its mark has a reputation for all the goods for which it is registered:

Sound recordings; apparatus for recording, transmission or reproduction of sound or images; all included in Class 9.

Clothing; leisurewear; all included in Class 25.

The opponent claims that use of the application would take unfair advantage by trading on the back of its established mark, with a reputation built up over twenty-nine years. Confusion would harm its brand and cause detriment to its reputation. The opponent claims that its mark is recognised and trusted, and use of the application would cause financial harm to its mark, harming its reputation and character.

3. The opponent’s section 5(4)(a) ground is based upon its alleged earlier rights in the sign BLK MRKT. It claims to have been selling clothing, records and ‘internet’ under this sign in the UK since 2011 and has acquired goodwill under the sign. Use of the trade mark applied for would therefore be a misrepresentation to the public and result in damage to the aforementioned goodwill.

4. The original notice of opposition¹ was rejected by the Tribunal as deficient, but the opponent was allowed to make amendments in order for it to be served upon Mr

¹ Statutory form TM7.

Peltier. One of the deficiencies was that the opponent entered three trade mark registration numbers and marks, one of which was 1432845 (which is relied upon for the section 5(3) ground), in the box on the form meant for representing the sign relied upon. The opponent also attached the photographs of garments which I have shown at annex 1 to this decision. Correspondence ensued between the opponent and the Tribunal, during which the opponent amended the representation in the relevant box for signs relied upon under section 5(4)(a) to BLK MRKT, removing references to trade mark registrations for BLACK MARKET. There were, however, still problems. I held a case management conference (at which Mr Gelston of the opponent and Mr Peltier attended by telephone) on 5 November 2013. I allowed the opponent time to put in order its claims under section 5(3) and also to put straight the deficiencies in its section 5(4)(a) claim. The operative part of my letter is reproduced below:

“At the case management conference which I held today, I struck out your claims under sections 3(1)(b) and 3(1)(d) of the Trade Marks Act 1994. I also allowed you two weeks to amend your form TM7 in respect of your grounds under sections 5(3) and 5(4)(a). Your amended form must be received by the Tribunal on or before **19 November 2013**. The list of amendments is as follows:

Section 5(3):

- Section B of the form: representation of the earlier trade mark relied upon (1432845): this box must only contain the registered trade mark BLACK MARKET.
- Section B Question 6: this box must only contain information relating to the registered mark relied upon for section 5(3), which is 1432845; i.e. BLACK MARKET.
- Section B Question 10: this box must only contain information relating to the registered mark relied upon for section 5(3), which is 1432845; i.e. BLACK MARKET.

Section 5(4)(a):

- Section C of the form: this box must contain a representation of the sign (earlier non-registered trade mark) relied upon; you have already typed in BLK MRKT, which is acceptable as a pleading/claim. However, you must remove the words “attached image 2” and remove the photographs attached to the form.
- If you want to rely upon other signs/logos under section 5(4)(a), e.g. as shown in “attached image 2”, you will need to fill in a separate ‘Section C’ part of the form (and questions 1 to 4 of section C) for each sign/logo relied upon as a claim.

Your amended form TM7 must be received by the Tribunal on or before **19 November 2013; if it is not received by then, you run the risk that your opposition will be struck out.** If the amendments are not satisfactorily clear, you run the risk that either or both of your grounds will be struck out.”

5. The opponent’s revised version of its form, which I have set out above as its pleadings, was accepted and served upon Mr Peltier. In the revised version, as can be seen, the only sign relied upon under section 5(4)(a) is BLK MRKT: the references to the earlier registrations for BLACK MARKET were removed by the opponent. The opponent did not rely on any other signs under section 5(4)(a) of the Act.

6. Mr Peltier filed a counterstatement denying the claims made. The opponent’s mark had been registered for more than five years on the date on which the application was published, and so falls within the scope of section 6A of the Act. This means that Mr Peltier could have requested that the opponent prove that it had used its registration for BLACK MARKET before being able to rely upon it for the section 5(3) ground. In his notice of defence², Mr Peltier chose not to request such proof of use. The consequence is that the opponent can rely upon all the goods registered under its earlier mark BLACK MARKET, number 1432845, subject to proving reputation sufficient for a section 5(3) ground, which I deal with later in this decision.

7. Mr Peltier states that he cannot see how he will be taking advantage of a record label which has sold a very low number of t-shirts carrying the “abbreviated word Blk Mrkt”. Likewise, he says that without evidence of substantial sales, there can be no confusion or damage.

8. Both the opponent and Mr Peltier are representing themselves. The opponent filed evidence. Initial objections were raised by the Tribunal as it was not in evidential format, but the opponent rectified the deficiencies and the evidence was accepted into the proceedings. Mr Peltier also filed evidence which was deficient in format. He was given the opportunity to correct those deficiencies, but did not do so. Therefore, his evidence was not accepted, which means that he has not filed evidence in these proceedings. No hearing was requested and neither side filed written submissions in lieu of attendance at a hearing. This decision is taken following a careful examination of the papers accepted into the proceedings.

Evidence

9. Rene Gelston has provided a witness statement dated 31 March 2014. He states that he is the founder and managing director for the brands Black Market Established in 1984, Black Market Group LTD (the opponent), Black Market London LTD and Black Market Digital LTD. Mr Gelston refers to “intellectual property”, comprising two other trade marks which are not relied upon in these proceedings, and two domain names containing the words “blackmarket”.

² Statutory form TM8.

10. Mr Gelston states that the registered mark relied upon was, in class 25, used from 1984 (registered in 1990) and that BLK MRKT has been used since 2011. Mr Gelston states that Black Market is one of the most influential, respected and recognised brands within urban culture with a history spanning over thirty years. He states that “Black Market and its abbreviation BLK MRKT sells Clothing, Music, Headphones and produces Events”.

11. Some of Mr Gelston’s statement includes submissions, rather than statements of facts. I will bear these in mind in reaching my decision, but will not summarise them here. Mr Gelston’s exhibits are as follows:

- Whois domain name record for BLKMRKT.ME, dated 16 August 2012.
- Prints from a Twitter account, printed on 10 March 2014, for Black Market Records (BlackMarketUK) showing postings. I note that there are 273 tweets, 1,410 ‘following’, and 850 ‘followers’.
- A print order dated 12 May 2011 for thirty-five t-shirts, without reference to any marks or signs.
- An undated page showing photographs of various t-shirts and hoodies, with varying designs (shown as an annex to this decision).
- A print from a website called Discogs, showing a list of records under the Black Market Records label. I note that the profile says “House label from the U.K. which was active between 1988 and 1997 and which got reactivated by Todd Osborne in autumn/winter 2006. Under “Discography”, there is a list of artists and record names, together with codes and release dates such as “BlackMarket 001”, 2008, and “BLKMRKT010”, dated 2012. The dates are either 2008, 2011 or 2012.
- A on-line print dated 10 March 2014 showing a t-shirt available for sale (corresponding to the top left design in the annex) at £19.99. Other designs shown in the annex are visible as “you may also like”, with UK pricing. There is undated “© Black Market London. All rights reserved” wording at the base of the page.
- An undated page which Mr Gelston describes as being from www.BlackMarket.co.uk digital platform, with over 3 million music titles for purchase. The copyright dating on this page is 2012.
- An undated page which appears to be three assembled photographs of framed items. Mr Gelston describes this exhibit as “Black Market Records, Legal BPI music awards sale around the world over 2 million LP’s sold”. Most of the content of this page is too small to decipher, but I can just about make out the words Black Market beneath the letters BPI, on what appears to be an award. I do not know when the awards were made.

12. Pages 13 to 23 of the evidence is described by Mr Gelston as Black Market history spanning thirty years, with interviews in The Independent, ID magazine,

The Face Magazine, night clubs, record stores, Recording Label, Promoters of the Year Awards, exhibitions, event flyers, websites and headphones. However, the pages are all from the same source, with BLACK MARKET LONDON appearing in the top corner.

13. The pages, at a guess, are from the Black Market website, charting the history of the brand, and it may be that some of the content appeared in the publications which Mr Gelston lists. A summary of this content is as follows:

- A page giving details about a club called The Wag in Wardour Street, London, in 1984, at which there was a regular feature called Black Market Friday, with Black Market DJs. Part of this page may include text from (according to Mr Gelston's list) ID Magazine, because part of the page is called "The I-D Bible".
- A page which appears to be from the same publication/site records that in 1986-1987, Rene 'Gelsten' opened a Black Market club in New York.
- A page which appears to be from the same publication/site shows photographs of a Black Market record store launched in Soho, London, in 1988. The text states that the shop sold house music, clothing and event tickets. The text also states the Friday night Wag club night closed and was re-launched as TRAX, which only lasted three months.
- A page which appears to be from the same publication/site showing pictures of records and record sleeves, with text referring to the launch of Black Market as a record label in 1989.
- A page which appears to be from the same publication/site showing that in 1990 the Black Market record label was signed to MCA records and the record store was sold. Use of the Black Market name was licensed to new tenants, but there is no information about this.
- A page which appears to be from the same publication/site recording activity in 1997, but without reference to Black Market. There is then a jump to 2002.
- A page which appears to be from the same publication/site showing that, in 2002', "Rene decided to return to North America, operating out of Toronto ... In 2004 and 2006 Black Market took the accolade of Toronto's Promoter of The Year".
- A page which appears to be from the same publication/site showing that the Black Market record label was re-launched in 2010.
- A page which appears to be from the same publication/site showing that 2012 saw the launch of the "new Black Market digital download platform with 3 million titles". Also an "online clothing store launched with new and classic designs:blackmarketlondon.com".

- A page which appears to be from the same publication/site showing that, in 2013, a “Black Market London” audio accessories line [was] introduced with first set of headphones”.

Decision

14. Section 5(3) of the Act states:

“(3) A trade mark which-

(a) is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a Community trade mark or international trade mark (EC), in the European Community) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.”

15. The conditions of section 5(3) are cumulative. Firstly, the opponent must satisfy me that its earlier mark BLACK MARKET has achieved a level of knowledge/reputation amongst a significant part of the public, and in relation to which of the registered goods. Secondly, the opponent must establish that the level of reputation and the alleged similarities between the marks will cause the public to make a link between its mark and the application, in the sense of the earlier mark being brought to mind by the later mark. Thirdly, assuming that the first and second conditions have been met, section 5(3) requires that one or more of three types of damage will occur. These are, within the context of the opponent’s claims:

(i) that the application will erode or ‘dilute’ the distinctiveness of BLACK MARKET so that the latter’s capacity to act as a sign of trade origin will be diminished (detriment to the distinctive character of the earlier mark);

(ii) that the opponent will lose custom because its mark will be ‘tarnished’, because if Mr Peltier’s goods are of poor quality, this will impact negatively on the image of BLACK MARKET;

(iii) that Mr Peltier will find it easier to sell his goods because of the link made with the opponent’s mark, thereby riding on the coat tails of the opponent’s promotional efforts and the reputation of the BLACK MARKET mark (the application will take unfair advantage of the distinctive character or repute of the earlier mark.)

If any one of these three types of damage is proven by the opponent, the section 5(3) ground of opposition will be successful unless, notwithstanding the damage, Mr Peltier shows that he has “due cause” (a compelling business reason) to use his mark.

16. The relevant case law can be found in the following judgments of the Court of Justice of the European Union: Case C-375/97, *General Motors*, [1999] ETMR 950, Case 252/07, *Intel*, [2009] ETMR 13, Case C-408/01, *Addidas-Salomon*, [2004]

ETMR 10 and Case C-487/07, *L'Oreal v Bellure* [2009] ETMR 55 and Case C-323/09, *Marks and Spencer v Interflora*. The law appears to be as follows.

a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors, paragraph 24*.

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public; *General Motors, paragraph 26*.

(c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Saloman, paragraph 29* and *Intel, paragraph 63*.

(d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark's reputation and distinctiveness; *Intel, paragraph 42*

(e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future; *Intel, paragraph 68*; whether this is the case must also be assessed globally, taking account of all relevant factors; *Intel, paragraph 79*.

(f) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious likelihood that this will happen in future; *Intel, paragraphs 76 and 77*.

(g) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; *Intel, paragraph 74*.

(h) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact of the earlier mark; *L'Oreal v Bellure NV, paragraph 40*.

(i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the

mark in order to create and maintain the mark's image. This covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks and Spencer v Interflora*, paragraph 74 and the court's answer to question 1 in *L'Oreal v Bellure*).

17. The level of reputation necessary for a section 5(3) ground was described by the CJEU in *General Motors*:

“23. ... In so far as Article 5(2) of the Directive, unlike Article 5(1), protects trade marks registered for non-similar products or services, its first condition implies a certain degree of knowledge of the earlier trade mark among the public. It is only where there is a sufficient degree of knowledge of that mark that the public, when confronted by the later trade mark, may possibly make an association between the two trade marks, even when used for non-similar products or services, and that the earlier trade mark may consequently be damaged.

24. The public amongst which the earlier trade mark must have acquired a reputation is that concerned by that trade mark, that is to say, depending on the product or service marketed, either the public at large or a more specialised public, for example traders in a specific sector.

25. It cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trade mark must be known by a given percentage of the public so defined.

26. The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.

27. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it.”

18. The evidence in relation to clothing is scant in the extreme. It is certainly insufficient to show that the mark BLACK MARKET has become known to significant part of the public. For clothing, the relevant public is the public at large; however, even if I were to regard the relevant public as those interested in house music, the picture provided in relation to clothing by the evidence does not take the opponent any further forward. The only clothing evidence is a print order for 35 t-shirts which does not specify a trade mark; an undated page showing images of clothing with varying designs, not all of them designs showing the mark BLACK MARKET; and a print downloaded on 10 March 2014 showing t-shirts for sale with the design BLK MRKT and a cat. There is no way of dating this page other than to assume it was current on the date on which it was printed. 10 March 2014 is well after the relevant date in these proceedings for showing that the mark had a section 5(3) level of

reputation. The relevant date is the date of application for Mr Peltier's mark, 7 April 2013. Even if this print had emanated from before the relevant date, these three exhibits come nowhere near to establishing that a significant part of the relevant public had knowledge of the mark BLACK MARKET in relation to clothing. As per the Court's guidance, I must consider all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the opponent in promoting it. Although neither an exhaustive nor a prescriptive list, none of these factors are in evidence. The opponent cannot rely upon the class 25 goods of its registration to support its section 5(3) claim.

19. The evidence shows some use of the mark BLACK MARKET in relation to recorded music. There is a gap of some 15 to 20 years between the heyday of BLACK MARKET in the late 1980s and its revival in the current century. It seems from the evidence that the reputation of BLACK MARKET was greater in the 1980s than it was at the relevant date. An entirely new generation of clubbers and music listeners was involved in the 1980s compared to 2013. There is no evidence to show that any reputation enjoyed by BLACK MARKET in the first wave of its use had continued or revived upon its 'reactivation'. Mr Gelston is silent about the gap in use; but it is clear from the evidence that there was a substantial gap. The evidence, again, does not give me any indication as to sales, turnover, depth and breadth of promotion, or market penetration of BLACK MARKET in relation to *sound recordings; apparatus for recording, transmission or reproduction of sound or images*. There is insufficient evidence show that a significant portion of the relevant public (whether the general public or the house music-loving public) had knowledge of the mark at the relevant date.

20. A pleading under section 5(3) of the Act is a claim to extended protection because of a reputation amongst a significant proportion of the relevant public. It is not the same as a pleading under section 5(2) of the Act (there has not been such a pleading in these proceedings). A pleading under section 5(2), unless there is a request for proof of use, allows an opponent to rely upon all the goods and/or service of his registration, without having to prove a reputation because what must be decided is whether there is a likelihood of confusion, notionally. Without a sufficient reputation for section 5(3) having been established through evidence, the next stage of the cumulative assessment referred to in paragraph 13, above, cannot be reached (whether there is a link). For this reason, the ground of opposition under section 5(3) of the Act fails.

21. The section 5(3) ground of opposition fails.

22. Section 5(4)(a) of the Act states:

"A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented –

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

(b)...

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

23. Halsbury’s Laws of England (4th Edition) Vol. 48 (1995 reissue) at paragraph 165 provides the following analysis of the law of passing off. The analysis is based on guidance given in 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. Townend & Sons (Hull) Ltd* [1979] AC 731. It 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.”

24. The facts of this case show that the opponent faces three main problems in pursuing this ground. The first is that the opponent must prove that it has goodwill in the sign relied upon, in relation to the goods listed in its notice of opposition in the mind of the purchasing public. Unlike its section 5(3) ground, the opponent does not rely upon BLACK MARKET for section 5(4)(a). After amendment to its notice of opposition, it withdrew reliance on BLACK MARKET and restricted its section 5(4)(a) ground to use and goodwill in the sign BLK MRKT. I cannot, therefore, consider the BLACK MARKET evidence because it is not use of the sign relied upon.

25. The concept of goodwill was explained in *Inland Revenue Commissioners v Muller & Co’s Margarine Ltd* [1901] AC 217 at 223:

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing

which distinguishes an old-established business from a new business at its first start.”

26. Whether the opponent has the requisite goodwill has to be deduced from the evidence which it has filed. In *Reef Trade Mark* [2002] RPC 19, Pumfrey J said:

“There is one major problem in assessing a passing off claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent's reputation extends to the goods comprised in the applicant's specification of goods. The requirements of the objection itself are considerably more stringent than the enquiry under s.11 of the 1938 Act (see *Smith Hayden & Co. Ltd's Application (OVAX)* (1946) 63 R.P.C. 97 as qualified by *BALI Trade Mark* [1969] R.P.C. 472). Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.”

and

“Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed to the relevant date. Once raised, the applicant must rebut the prima facie case. Obviously, he does not need to show that passing off will not occur, but he must produce sufficient cogent evidence to satisfy the hearing officer that it is not shown on the balance of probabilities that passing off will occur.”

27. In *Minimax GmbH & Co KG v Chubb Fire Limited* [2008] EWHC 1960 (Pat), Floyd J, building upon Pumfrey J's observations, said:

“8 Those observations are obviously intended as helpful guidelines as to the way in which a person relying on section 5(4)(a) can raise a case to be answered of passing off. I do not understand Pumfrey J to be laying down any absolute requirements as to the nature of evidence which needs to be filed in every case. The essential is that the evidence should show, at least prima facie, that the opponent's reputation extends to the goods comprised in the application in the applicant's specification of goods. It must also do so as of the relevant date, which is, at least in the first instance, the date of application.”

28. The only BLK MRKT evidence is as follows:

- Whois domain name record for BLKMRKT.ME, dated 16 August 2012.
- An undated page showing photographs of various t-shirts and hoodies, with varying designs (shown as an annex to this decision), which includes a BLK MRKT and cat design on the front of a t-shirt. This t-shirt design is shown on

the copy of the webpage printed on 10 March 2014, but which is otherwise undated.

- The print from Discogs with codes against the records such as BLKMRKT010, from 2012.

29. This meagre level of evidence cannot sustain a claim to goodwill. A domain name does not indicate trade, and without trade there can be no goodwill. The t-shirt evidence is completely undated, other than the date the print was taken, which was after the relevant date. The relevant date for section 5(4)(a) in these proceedings is the date on which the application was filed, 7 April 2013. The latter-day revival of the business appears from the evidence relating to BLACK MARKET to have got going properly in 2012. This date is just too near to 7 April 2013 to infer safely that the t-shirt side of the business had accrued goodwill prior to 7 April 2013, whether the sign relied upon was BLK MRKT or BLACK MARKET. In any case, the earlier use by the opponent must relate to the use of the sign for the purposes of distinguishing goods. For example, merely decorative use of a sign on a t-shirt cannot found a passing off claim: *Wild Child Trade Mark* [1998] RPC 455. The t-shirt design could be seen as decoration because the website on which it is for sale identifies BLACK MARKET RECORDS as the retailer, rather than indicating it as being sold by BLK MRKT. Finally, it seems unlikely to me that use of abbreviated codes in a catalogue would trigger goodwill in the public's mind; or at least, there would have to be cogent evidence to prove this.

30. The second problem is the gap in the parties' fields of trade. I have found above that there is no goodwill in BLK MRKT in either clothing or records (or the pleaded 'internet'). Even if the sign relied upon had been BLACK MARKET, in which the claim to goodwill is arguably improved, any such goodwill would attach to the sales of records. The applicant has applied for clothing. In *Stringfellow and Anr. v McCain Foods (G.B.) Limited and Another* [1984] RPC 501 (COA), Lord Justice Stephenson explained why cogent evidence of damage, or a real likelihood of damage, is required in a case where the parties are engaged in very different fields of commercial activity. He said:

"The development of the law of passing off can be justified by the need to protect traders' business and goodwill and at first sight seems to justify the learned judge's decision in this case. But I have come to the conclusion that we can and should reverse his decision for the reasons given by Slade LJ.

The case is very far removed from the case of a small and perhaps disreputable trader deliberately seeking to attract to his business the goodwill attaching to the established business of a well known trader in the same field. In such a case damage and the likelihood of damage are easily proved. It is, however, much too late to confine the tort of passing off to such clear cases. Decisions of the highest authority permit the courts to restrain innocent and reputable traders from describing and advertising their own goods in a manner which may lead their customers reasonably to assume a connection with another's business, even if they do not intend to derive, or in fact derive, any benefit from the innocent description and the assumed connection and even if they are operating in a different line of business.

Here the respondents seek to supplement what Slade LJ. has aptly called the “tenuous overlap” between their fields of activity and the appellants' by contemplating the prospect of damage to the respondents in the field of future franchising or merchandising.

I have some doubts whether such damage is recoverable in a passing off action, but I have no doubt that it is not recoverable by the respondents on the facts set out by Slade LJ. I agree with him that in a case such as the present the burden of satisfying Lord Diplock's requirements in the *Advocaat* case, in particular the fourth and fifth requirements, is a heavy burden; how heavy I am not sure the judge fully appreciated. If he had, he might not have granted the respondents relief. When the alleged “passer off” seeks and gets no benefit from using another trader's name and trades in a field far removed from competing with him, there must, in my judgment, be clear and cogent proof of actual or possible confusion or connection, and of actual damage or the real likelihood of damage to the respondents' property in their goodwill, which must, as Lord Fraser of Tullybelton said in the *Advocaat* case, be substantial. In this case there was no such proof.”

31. For the opponent to bridge the gap between record sales and clothing, the evidence would have to be clear and cogent to prove that the opponent's business under its sign would be damaged by use of the Mr Peltier's mark. Even if the sign relied upon had been BLACK MARKET, the evidence comes nowhere near to establishing that the gap has been bridged.

32. This brings me to the third problem. The evidence is too thin in relation to BLK MRKT to get the opponent past the first hurdle of proving goodwill, as explained above. But even if it had relied upon BLACK MARKET, it faces another hurdle in that there is a lengthy gap between the two periods of trade as a record label. If cogent evidence, for example clear evidence of sales figures, public and industry recognition, dates of awards, evidence of physical articles, the appearance of the sign upon them, evidence of how the sign appeared in advertising, and evidence that the sign had not ‘died’ in the minds of the public had been shown, there may have been a case to say that goodwill had survived the fifteen year hiatus. In *W.S. Foster & Son Limited v Brooks Brothers UK Limited*, [2013] EWPC 18 (PCC), Iain Purvis QC, sitting as a Deputy Judge considered the law on abandonment of goodwill and summed it up like this:

“68. I deal with the abandonment case first. The doctrine of abandonment of goodwill is intimately tied up with the basic principle that goodwill has no free-standing existence. It is simply a property right attached to a particular business. If the business dies, then so does the goodwill. See Lord Diplock in *Star Industrial v Yap Kwee Kor* [1980] RPC 31:

‘Goodwill, as the subject of proprietary rights, is incapable of subsisting by itself. It has no independent existence apart from the business to which it is attached. It is local in character and indivisible; if the business is carried on in several countries a separate goodwill attaches to it in each. So when the business is abandoned in one country in

which it has acquired a goodwill the goodwill in that country perishes with it although the business may continue to be carried on in other countries...Once the Hong Kong Company had abandoned that part of its former business that consisted of manufacturing toothbrushes for export to and sale in Singapore it ceased to have any proprietary right in Singapore which was entitled to protection in any action for passing-off brought in the courts of that country.”

33. In *Ad Lib Club Limited v Granville* [1971] FSR 1 (HC), Vice Chancellor Pennycuik considered the retention of goodwill (residual goodwill):

“It seems to me clear on principle and on authority that where a trader ceases to carry on his business he may nonetheless retain for at any rate some period of time the goodwill attached to that business. Indeed it is obvious. He may wish to reopen the business or he may wish to sell it. It further seems to me clear in principle and on authority that so long as he does retain the goodwill in connection with his business he must also be able to enforce his rights in respect of any name which is attached to that goodwill. It must be a question of fact and degree at what point in time a trader who has either temporarily or permanently closed down his business should be treated as no longer having any goodwill in that business or in any name attached to it which he is entitled to have protected by law.

In the present case, it is quite true that the plaintiff company has no longer carried on the business of a club, so far as I know, for five years. On the other hand, it is said that the plaintiff company on the evidence continues to be regarded as still possessing goodwill to which this name AD-LIB CLUB is attached. It does, indeed, appear firstly that the defendant must have chosen the name AD-LIB CLUB by reason of the reputation which the plaintiff company’s AD-LIB acquired. He has not filed any evidence giving any other reason for the selection of that name and the inference is overwhelming that he has only selected that name because it has a reputation. In the second place, it appears from the newspaper cuttings which have been exhibited that members of the public are likely to regard the new club as a continuation of the plaintiff company’s club. The two things are linked up. That is no doubt the reason why the defendant has selected this name”.

34. There is no evidence in this case that BLACK MARKET (which is not the sign relied upon) could lay claim to residual goodwill. There is no evidence at all that BLK MRKT had a sufficient level of goodwill as of 7 April 2013 to have prevented Mr Peltier from use of his trade mark under the law of passing-off. Without goodwill, there cannot be misrepresentation, and without misrepresentation, there will be no damage. **The ground under section 5(4)(a) fails.**

Overall outcome of the opposition

35. **The opposition fails completely. The application may proceed to registration.**

Costs

36. Mr Peltier has been successful and is entitled to a contribution towards his costs. The Registrar normally awards costs according to the published scale in Tribunal Practice Notice 4/2007. The only documentation filed by Mr Peltier which was accepted into the proceedings was his counterstatement, which attracts no fee. He is entitled to an amount for the consideration of the notice of opposition, compiling the counterstatement, and for his consideration of the opponent's small amount of evidence. I will reduce the scale award in relation to the evidence because it was so slight. It is appropriate to award half of what would have been awarded had the opponent had legal representation. Therefore, the amount I will award to Mr Peltier is as follows:

Considering the notice of opposition and filing the counterstatement:	£100
Considering the opponent's evidence:	£100
Total:	£200

37. I order Black Market Group LTD to pay Jarad Peltier the sum of £200 which, in the absence of an appeal, should be paid within seven days of the expiry of the appeal period.

Dated this 20th day of October 2014

**Judi Pike
For the Registrar,
the Comptroller-General**

Annex

