

**O-069-16**

TRADE MARKS ACT 1994

IN THE MATTER OF CONSOLIDATED PROCEEDINGS

UK REGISTRATION NO 3019127 IN THE NAME OF EQUISAFETY LTD  
IN RESPECT OF THE TRADE MARK:

The logo consists of the text 'V-Bandz' in a bold, rounded, sans-serif font. The letters are filled with a white-to-yellow gradient and have a thick, multi-colored outline that transitions through pink, red, orange, and yellow. The logo is tilted slightly upwards to the right and has a soft drop shadow.

AND

AN APPLICATION FOR A DECLARATION OF INVALIDITY THEREOF  
UNDER NO 500340 BY FIONA MARGARET KENNEDY.

AND

IN THE MATTER OF UK REGISTRATION NO 3041782  
IN THE NAME OF V-BANDZ LTD  
IN RESPECT OF THE TRADE MARK:

The logo consists of the text 'V-Bandz' in a bold, rounded, sans-serif font. The letters are filled with a white-to-yellow gradient and have a thick black outline. The logo is tilted slightly upwards to the right and has a soft drop shadow.

AND

AN APPLICATION FOR A DECLARATION OF INVALIDITY THEREOF  
UNDER NO 500603 BY EQUISAFETY LTD.

## Background and pleadings

1. On 21 August 2013, Equisafety Ltd applied to register  as a trade mark under no. 3019127. Shortly after the application was filed, an assignment was filed with effect from the date of application, transferring ownership of the mark to Ms Sarah North. The mark was transferred back to Equisafety Ltd, by assignment, effective from 12 June 2014. It completed its registration procedure on 22 November 2013 and is registered for the following goods:

### **Class 9**

Protection devices for personal use against accidents; Protection helmets for sports; Protective clothing; Protective clothing [body armour]; Protective clothing made from ballistic resistant materials; Protective footwear for the prevention of accident or injury; Protective headgear for the prevention of accident or injury; Protective helmets for sports; Protective instruments; Protective shoes [against accident or injury]; Protective suits [against accident or injury]; Protective work clothing [for protection against accident or injury].

### **Class 18**

Harness for animals; Harness for horses; Harnesses; Harnesses for animals; Horse bits; Horse blankets; Horse bridles; Horse cloths; Horse collars; Horse covers; Horse halters; Horse sheets; Horseshoes; Hunters' game bags.

### **Class 25**

Casual jackets; Casual shirts; Casual trousers; Casualwear; Chaps (clothing); Clothes for sports; Clothing; Clothing, footwear, headgear; Clothing for children; Clothing for cycling; Clothing for cyclists; Clothing for horse-riding [other than riding hats]; Clothing for infants; Coats; Collar protectors; Collared shirts; Collars; Collars [clothing]; Combative sports uniforms; Combinations [clothing]; Corsets [clothing, foundation garments]; Cycling pants; Cycling shorts; Cyclists' clothing.

2. On 20 March 2014, Fiona Margaret Kennedy filed an application to have this trade mark declared invalid under the provisions of sections 47(2)(a) and (b) and sections 5(4)(a) and 3(6)<sup>1</sup> of the Trade Marks Act 1994 (“the Act”).

3. Ms Kennedy relies upon the word ‘V-Bandz’ and the following sign, which she states was first used on 11 November 1998, throughout the UK:



4. Ms Kennedy’s invalidation is made against all of the Proprietor’s goods relying on the V-BANDZ signs which she states have been used in respect of the following goods:

*“Protective clothing and headgear, reflective clothing, fluorescent clothing, safety tabards, personal reflectors for use with clothing, footwear and*

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<sup>1</sup> 5(4)(b) was also pleaded at the outset but was not pursued at the hearing.

*headgear, reflective and fluorescent articles for use with clothing, footwear, headgear, harness, saddlery, carts and carriages for the prevention of traffic accidents.*

*Harness and saddlery, saddle cloths, horse blankets, leg and knee pads for horses, reins, rein covers, tailguards, martingale covers, leg bandages, all for horses; dog collars, dog leads and leashes, dog coats; reflective or fluorescent harness and saddlery, all being reflective or fluorescent or bearing reflective or fluorescent material.*

*Clothing, footwear and headgear.”*

5. On 14 May 2014, Equisafety Limited filed a counterstatement in which it denied the grounds of invalidation.

6. On 11 February 2014, V-Bandz Ltd applied to register  as a trade mark under no. 3041782. It completed its registration procedure on 27 June 2014 and is registered for the following goods:

**Class 9**

Protective clothing and headgear, reflective clothing, fluorescent clothing, protective clothing namely safety clothing; all being reflective or fluorescent or bearing reflective or fluorescent material; luminous safety signs or beacons for horse-drawn carts and carriages.

**Class 18**

Harness and saddlery, saddle cloths, horse blankets, reins bearing reflective markings, leg and knee pads for horses, reins, rein covers, tailguards, martingale covers, spats and leg bandages, all for horses; dog collars, dog leads and leashes, dog coats; reflective or fluorescent harness and saddlery, saddle cloths, horse blankets, leg and knee pads for horses, reins, rein covers, tailguards, margingale covers, spats and leg bandages, dog collars, dog leads and leashes, dog coats, all being reflective or fluorescent or bearing reflective or fluorescent material.

**Class 25**

Clothing, footwear and headgear.

7. On 3 September 2014, Equisafety Ltd filed an application to have this trade mark declared invalid under the provisions of sections 47(2)(a) and 5(2)(b), the Act.

8. It relies upon the mark and goods referenced in the first paragraph of this decision which takes the following form:

The logo for V-Bandz, featuring a stylized 'V' followed by the word 'Bandz' in a colorful, bubbly font.

9. On 29 September 2014, V-Bandz Ltd filed a counterstatement denying the grounds of invalidation.

10. Both parties filed evidence and skeleton arguments. The substantive hearing took place on 28 October 2015, by video conference. From the commencement of proceedings until 16 September 2015 Ms Nicola Fletcher represented Ms Sarah North and subsequently, her own company, Equisafety Ltd. On 16 September 2015 Equisafety Limited appointed Gateley Plc as its representative and Ms Charlotte Scott of Counsel represented them at the hearing. Ms Kennedy and V-Bandz Ltd were represented by Mr Jon Banford of Franks & Co.

11. Both sides seek an award of costs.

12. The proceedings were consolidated in a letter from the Tribunal dated 1 October 2014.

## **EVIDENCE**

### **Fiona Margaret Kennedy/V-Bandz Ltd's evidence in chief**

Witness statement of Fiona Margaret Kennedy, dated 20 March 2014  
Exhibits FMK 01-FMK 06

2<sup>nd</sup> Witness statement of Fiona Margaret Kennedy, dated 4 November 2014  
Exhibits FMK 07-FMK 35

3<sup>rd</sup> Witness statement of Fiona Margaret Kennedy, dated 4 November 2014  
Exhibits FMK 36-FMK 41

4<sup>th</sup> Witness statement of Fiona Margaret Kennedy, dated 4 November 2014  
Exhibits FMK 42-FMK 58

5<sup>th</sup> Witness statement of Fiona Margaret Kennedy, dated 4 November 2014  
Exhibits FMK 59-FMK 68

6<sup>th</sup> Witness statement of Fiona Margaret Kennedy, dated 4 November 2014  
Exhibits FMK 69-FMK 73

7<sup>th</sup> Witness statement of Fiona Margaret Kennedy, dated 4 November 2014

8<sup>th</sup> Witness statement of Fiona Margaret Kennedy, dated 4 November 2014  
Exhibits FMK 74-FMK 79

9<sup>th</sup> Witness statement of Fiona Margaret Kennedy, dated 4 November 2014  
Exhibits FMK 80-FMK 94

10<sup>th</sup> Witness statement of Fiona Margaret Kennedy, dated 4 November 2014  
Exhibits FMK 95-FMK 116

Witness statement of David Michael Jones, dated October 2014<sup>2</sup>  
Exhibit DMJ 01

Witness statement of Julie Claire Williams, dated 6 August 2014  
Exhibit JCW01

Witness statement of Kevin Jenkinson, dated 30 September 2014  
Exhibits KJ 01-KJ 06

Witness statement of Stephen John Horton, dated 4 September 2014  
Exhibit SJH 01

Witness statement of Louise Catherine Mortimer, dated 27 November 2014  
Exhibit LCM 1

Witness statement of Susan Jane Bradley, dated 27 November 2014  
Exhibits SJB 01-SJB 24

Witness statement of Richard James Clayton, dated 6 August 2014  
Exhibits RJC 01-RJC02

Witness statement of Rachael Katherine Holdsworth, dated 15 September 2014  
Exhibits FMK 80-FMK 94

Witness statement of Susan Mary Russell, dated 12 September 2014  
Exhibits SMR 01-SMR 03

### **Nicola Fletcher/Equisafety Ltd's evidence in chief**

Witness statement of Nicola Fletcher, dated 21 January 2015  
Exhibits NF 1-NF 7

Witness statement of Benjamin Mansell<sup>3</sup>, dated 21 January 2015  
Exhibits NF 1-NF 7

### **Fiona Margaret Kennedy/V-Bandz Ltd's evidence in reply**

11<sup>th</sup> Witness statement of Fiona Margaret Kennedy, dated 11 February 2015  
Exhibits FMK 117-FMK 131

12<sup>th</sup> Witness statement of Fiona Margaret Kennedy, dated 8 July 2015  
Exhibits FMK 132-FMK 134

13<sup>th</sup> Witness statement of Fiona Margaret Kennedy, dated 8 July 2015  
Exhibits FMK 135-FMK 138

2<sup>nd</sup> Witness statement of David Michael Jones, dated 31 January 2015

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<sup>2</sup> The day has been omitted from the signature date.

<sup>3</sup> Mr Mansell's signature is not dated. The front cover of the witness statement is dated 21 January 2015.

Witness statement of Jonathan Banford, dated 27 April 2015  
Exhibits JB 01-JB 04

### **Nicola Fletcher/Equisafety Ltd's evidence in reply**

2<sup>nd</sup> Witness statement of Nicola Fletcher, dated 24 April 2015  
Exhibit NF 8

3<sup>rd</sup> Witness statement of Nicola Fletcher, dated 29 July 2015  
Exhibits NF 01-NF 17

4<sup>th</sup> Witness statement of Nicola Fletcher, dated 29 July 2015  
Exhibits NF 18-NF 20

13. I do not intend to summarise all of the evidence filed but will refer to it as necessary below.

### **Preliminary issue**

14. At the substantive hearing a preliminary point was raised as to whether and to what extent the respective parties were joined. I informed the parties that it was my understanding that, following a case management conference on 8 January 2015, Ms Fletcher and Equisafety Ltd were joined as were Ms Kennedy and V-Bandz Ltd. Mr Banford confirmed that this was his understanding. Ms Scott stated that in her view the parties were only joined for the purposes of costs.

15. I allowed a period following the hearing for the parties to make submissions on the issue, bearing in mind the decision of Professor Ruth Annand sitting as the Appointed Person in *TAO ASIAN BISTRO*<sup>4</sup>.

16. In his submissions dated 13 November 2015, Mr Banford made the following points:

*"1. Ms Kennedy and V-Bandz Limited wholeheartedly support the proposed joining of Ms Kennedy, V-Bandz Limited, Ms Fletcher and Equisafety Limited in these proceedings for all purposes, not just for the purposes of costs.*

*2. Ms Kennedy and V-Bandz Limited are grateful for the TAO ASIAN BISTRO decision of the Appointed Person (Prof Annand), being brought to their attention. We and our clients believe that this case is entirely on point.*

*3. In the TAO ASIAN BISTRO case, Mr Yam was the sole director and shareholder of a series of companies, to which he sequentially licensed use of his TAO (Figurative) and TAO (word only) unregistered trade marks. The issue arising from this position was whether the goodwill*

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<sup>4</sup> BL O-004-11

*generated by trading under the marks was owned by Mr Yam or by his companies.*

*4. In the present cases, Ms Kennedy is the sole director and shareholder of V-Bandz Limited, and her V-BANDZ (Figurative) and V-BANDZ (word only) marks have been used by V-Bandz Limited with her tacit permission. The issue has been raised of whether the goodwill that has arguably been generated accrued to Ms Kennedy or to her company...*

*10. We maintain that the facts of the present case are closely analogous to those of the TAO ASIAN BISTRO case. Where they differ, the facts are even more in favour of Ms Kennedy than they were for Mr Yam. For example, Ms Kennedy was personally the generator of any relevant goodwill as the sole human avatar of V-Bandz Limited, as opposed to Mr Yam presumably acting through a staff of cooks and waiters. As referred to above, Ms Kennedy has never attempted to treat goodwill as a matter for her company. The points set out by the Appointed Person in favour of Mr Yam (see para 7 of these submissions, above) apply equally well to Ms Kennedy.*

*11. We therefore agree with the proposal that Ms Kennedy and V-Bandz Limited should be joined on the one part and that Ms Fletcher and Equisafety Limited should be joined on the other part. While Ms Fletcher and Equisafety Limited have no question of ownership of goodwill to resolve, Ms Fletcher has already been joined for the purposes of costs, so they might as well be joined for all purposes, under the Registrar's inherent jurisdiction."*

17. In their submissions dated 26 November 2015 Ms Fletcher's representatives make the following comments:

*"1. It is submitted that the Hearing Officer does not have the power, does not have grounds and/or should not invoke any power, to join V-Bandz Limited into Cancellation Number 500340 and neither the decision in Tao Asian Bistro, nor the case references in that decision can be relied upon by the Hearing Officer to do so.*

*2. The Trade Marks (Relative Grounds) Order 2007 at Article 5 states that only the proprietor of an earlier right may make an application for a declaration of invalidity on the grounds in Section 47(2)(b) and that so much of Section 43(3) of the Trade Marks Act 1994 as provides that any person may make an application for a declaration of invalidity shall have effect subject to this Article. It is therefore clear that only the proprietor of goodwill sufficient enough to bring a case for passing off may make an application for a declaration of invalidity under Section 47(2) on the grounds of Section 5(4) of the Trade Marks Act 1994...*

*7. Ms Kennedy and V Bandz Limited are two distinct legal entities and there is no evidence of any licence by Ms Kennedy to V Bandz Limited. Any attempt to introduce or allude to any licence in the submissions filed*

*on or about 12 November 2015 on behalf of Ms Kennedy and V-Bandz Limited is without evidence and inadmissible as it cannot be challenged or tested...*

11. It was by virtue of the evidence of personal goodwill and of those licences that Professor Annand concluded that at least collectively Mr Yam and Tao Restaurant Limited were proprietors of any goodwill and that Mr Yam could have called on Tao Restaurant Limited to assign ownership of any such goodwill to him and that the nature of the opposition under Section 5(4)(a) (including the evidence) would remain unchanged. That is not the case here.

12. There is no goodwill here sufficient to ground a case in passing off by anyone. There is no evidence of any licence between the person who says she owns the mark (Ms Kennedy) and her company or vice versa and no connection with the goodwill, if any, generated in that mark. There is no basis to call for an assignment of the goodwill. The facts therefore differ fundamentally from *Tao Asian Bistro* and therefore the reasoning in that decision cannot form the basis of invoking a power to join V-Bandz Limited in this case.

13. Similarly, in all the cases cited in *Tao Asian Bistro* and *Betamag*, there has been a causal connection between the party current to the proceedings and the party being substituted/joined, whereas there is no connection in this case.”

18. I note that no submissions have been advanced by either side to contest the fact that Ms Nicola Fletcher and Equisafety Ltd should be joined as parties to these proceedings. In my view the case management letter of 8 January 2015 makes it clear that they were joined at that date for all matters including costs. Consequently, I confirm that Ms Fletcher and Equisafety Limited are joined in respect of both sets of proceedings that are the subject of this decision and for the purposes of costs relating to the same.

19. With regard to Ms Fiona Kennedy and V-Bandz Ltd the position is less clear. I bear in mind the comments of Professor Ruth Annand in *Tao Asian Bistro*, in particular where she said:

“28. There can be no doubt that the Registrar has power to order the substitution or joinder of parties on opposition. It lies within his inherent jurisdiction to regulate the procedure before him. That short point of law was raised on appeal and decided by Pumfrey J. in the *BETAMAG* case referred to in paragraph 12 above...

33...Equally, I take the view that article 2 of The Trade Marks (Relative Grounds) Order was neither intended nor effective to preclude the Registrar’s power to order substitution/joinder of parties on opposition”.



20. At page 541<sup>5</sup> of *Betamag Pumfrey J* held:

“Notwithstanding the fact that the registrar is, like the county court, a tribunal which is established by statute, I have no doubt that the registrar has the power to regulate the procedure before her in such a way that she neither creates a substantial jurisdiction where none existed, nor exercises that power in a manner inconsistent with the express provisions conferring jurisdiction upon her.”

21. I note that Pumfrey J also found that such conclusions were equally applicable to opposition and cancellation applications.

22. Ms Kennedy is the applicant for invalidation in one case but her company is the applicant for registration of the mark applied for in the other. Consequently, any goodwill under V-Bandz at the date that the other side applied for registration must be owned by one or other of Ms Kennedy and V-Bandz Ltd. It is therefore both more efficient and equitable for them to be joined in these proceedings. Ms Kennedy and V-Bandz Ltd are joined in respect of both sets of proceedings that are the subject of this decision and for the purposes of costs relating to the same.

23. Throughout the decision I will refer to the parties as Ms Kennedy and Ms Fletcher and by doing so I intend such references to refer to the individuals and their respective companies.

### **The parties' respective positions**

#### Ms Kennedy:

24. In respect of the claim under s. 5(4)(a) Ms Kennedy maintains that the V-BANDZ mark has generated a reputation and goodwill, accruing to herself and her company, sufficient to be protected under the law of passing off. Use of the mark by Ms Fletcher in the manner threatened by the scope of the registration would amount to misrepresentation resulting in both actual and foreseeable damage to Ms Kennedy's business and goodwill.

25. With regard to the s. 3(6) claim she maintains that the application to register TM3019127 was made in bad faith as there was no bona fide intention to use the mark and Ms Fletcher was well aware that Ms Kennedy was continuing to trade actively under her V-BANDZ mark.

26. Furthermore, Ms Kennedy claims that Ms Fletcher's behaviour falls short of the standards of acceptable commercial behaviour observed by reasonable and experienced [wo]men in the particular area being examined. At the point at which Ms Kennedy filed her application to invalidate TM3019127 it was standing in the name of Ms Sarah North. At paragraph 10 of her pleadings Ms Kennedy states that, “No verifiable trace of the existence of Ms Sarah North has yet been discovered.”

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<sup>5</sup> *Pharmedica GmbH's Trade Mark Application [2000] R.P.C. 536*

Ms Fletcher:

27. In respect of the claim under s. 5(4)(a), Ms Fletcher states that at the date of filing TM3019127, neither Ms Kennedy nor V-Bandz Ltd owned any goodwill in the V-Bandz signs. Ms Fletcher believed that Ms Kennedy had abandoned all use of the signs. In seeking registration of the mark, Ms Fletcher had a genuine intention to use it. Consequently, filing the application was not contrary to the law of passing off.

28. In summary, Ms Fletcher submits:

- Ms Kennedy's evidence of goodwill does not demonstrate sufficient trading to establish the existence of goodwill in the V-BANDZ signs.
- If it is found that there is goodwill in the V-BANDZ signs, this goodwill had been allowed to dissipate since trading ceased (or at least massively downscaled) in 2010, three years prior to the relevant date.
- Any reputation and goodwill that subsisted in the V-BANDZ signs prior to 2010 was not strong enough to ensure that there was any residual goodwill in the V-Bandz signs by the relevant date.

29. With regard to the claim under s. 3(6), paragraph 16 of the skeleton argument states:

*"It is not in dispute that Equisafety [Ms Fletcher] had knowledge that Ms Kennedy...had previously made use of the sign V-BANDZ. However, it is submitted that Equisafety [Ms Fletcher] believed that Ms Kennedy...had ceased all use of that sign some years ago and that no residual goodwill subsisted in the sign at the relevant date."*

30. During these proceedings, in June 2015, Ms Fletcher admitted that she was in fact Sarah North.<sup>6</sup> In the skeleton argument it is submitted that this is entirely irrelevant to whether TM3019127 was registered in bad faith.

**Undisputed facts arising from the evidence:**

- 11 November 1998 - V-Bandz Ltd was incorporated (owned and operated by Ms Fiona Kennedy, the sole proprietor).
- 13 September 2000 – Ms Kennedy applied to register V-Bandz as a trade mark in classes 9, 18 and 25.
- 7 December 2001 – Ms Kennedy's trade mark was registered under TM2245456.

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<sup>6</sup> In June 2015, Ms Fletcher filed her defence in proceedings brought before the Court by Ms Kennedy. That statement is attached to Ms Kennedy's thirteenth witness statement as exhibit FK136. At paragraph 23.1 of the statement, "It is admitted that the first defendant (Ms Fletcher) used the pseudonym 'Sarah North'".

- 3 March 2010 – Equisafety Limited was incorporated (owned and operated by Ms Nicola Fletcher).
- 13 September 2010 – TM2245456 lapsed.<sup>7</sup>
- 21 August 2013 – Equisafety Limited sought to register the mark shown on the cover page of this decision under TM3019127.
- 22 November 2013 – TM3019127 achieved registration for the goods I have listed in paragraph 1 of this decision.
- 21 August 2013 (effective date) – TM3019127 was recorded on the UK Trade Mark Register as assigned from Equisafety Limited to Ms Sarah North.
- 12 June 2014 (effective date) - TM3019127 was recorded on the UK Trade Mark Register as assigned from Ms Sarah North to Equisafety Limited.

31. It is not disputed that both parties trade in high visibility goods which are used primarily in the equestrian sphere.

32. It is also accepted that until her trade mark lapsed in September 2010, Ms Kennedy was making use of the sign V-BANDZ. However, the extent of any goodwill generated by Ms Kennedy is disputed. I will return to this as necessary below.

### **Approach**

33. I will deal first with the cancellation proceedings 500340, in particular, Ms Kennedy's claims under sections 5(4)(a) and 3(6) of the Act. I will then consider, if necessary, the cancellation proceedings 500603 in respect of section 5(2)(b) of the Act.

34. Ms Kennedy has filed a considerable volume of evidence which shows her attendance at numerous equine shows and events during, at least, the last ten years. There are also numerous examples of appearances in trade publications and directories and of her company sponsoring numerous events and providing prizes and give-aways for an equine magazine. In order to assess the claims made by Ms Kennedy I will highlight evidence which goes to the knowledge and conduct of the parties at the relevant dates.

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<sup>7</sup> Ms Fletcher has filed a number of documents which seek to challenge Ms Kennedy's statement that she lost touch with her attorneys and failed to receive the renewal reminder. For whatever reason, this trade mark was not renewed and an analysis of the reasons for it not being renewed do not assist in making this decision. Consequently, I will give it no further consideration.

## PASSING OFF

### The law

35. The application for invalidation of the registration is brought under the provisions of section 47 of the Act, the relevant part of which states:

“47.-(1) ...

(2) The registration of a trade mark may be declared invalid on the ground-

...

(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)...

(4)...

(5) Where the grounds of invalidity exist 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.”

36. Section 5(4) 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...

(b) ...

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

37. 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.”

38. Parker J in *Burberrys v J C Cording & Co Ltd* [1909] 26 RPC 693 said:

“The principles of law applicable to a case of this sort are well known. On the one hand, apart from the law as to trade marks, no one can claim monopoly rights in the use of a word or name. On the other hand, no one is entitled by the use of any word or name, or indeed in any other way, to represent his goods as being the goods of another to that other’s injury. If an injunction be granted restraining the use of a word or name, it is no doubt granted to protect property, but the property, to protect which it is granted, is not property in the word or name, but the property in the trade or good-will which will be injured by its use. If the use of a word or a name be restrained, it can only be on the ground that such use involves a misrepresentation, and that such misrepresentation has injured, or is calculated to injure another in his trade or business.”

39. In *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19 (HC), Pumfrey J. stated:

“27. 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.

28. 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.”

40. Commenting on *South Cone* in *Minimax GmbH & Co KG v Chubb Fire Limited* [2008] EWHC 1960 (Pat) Floyd J. (as he then was) stated that:

“[The above] 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.”

### **The relevant date**

41. Whether there has been passing off must be judged at a particular point (or points) in time. In the decision of the Court of Appeal in *Roger Maier and Assos of Switzerland SA v ASOS plc and ASOS.com Limited* [2015] EWCA Civ 220 it was stated:

“165. ...Under the English law of passing off, the relevant date for determining whether a claimant has established the necessary reputation or goodwill is the date of the commencement of the conduct complained of (see, for example, *Cadbury- Schweppes Pty Ltd v The Pub Squash Co Ltd* [1981] RPC 429). The jurisprudence of the General Court and that of OHIM is not entirely clear as to how this should be taken into consideration under Article 8(4) (compare, for example, T-114/07 and T-115/07 *Last Minute Network Ltd* and Case R 784/2010-2 *Sun Capital Partners Inc.*). In my judgment the matter should be addressed in the following way. The party opposing the application or the registration must show that, as at the date of application (or the priority date, if earlier), a normal and fair use of the Community trade mark would have amounted to passing off. But if the Community trade mark has in fact been used from an earlier date then that is a matter which must be taken into account, for the opponent must show that he had the necessary goodwill and reputation to render that use actionable on the date that it began.”

42. The above related to a community trade mark, however, the same applies to a UK national trade mark.

43. The filing date of the subject trade mark is 21 August 2013. There is no evidence or claim by Ms Fletcher that the mark was used prior to this date. Accordingly, the matter need only be assessed as of 21 August 2013.

### **Goodwill**

44. The first hurdle for Ms Kennedy is to show that the V-BANDZ sign had the required goodwill at the relevant date. In *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL), the Court stated:

“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.”

45. In *Hart v Relentless Records* [2003] FSR 36, Jacob J. (as he then was) stated that:

“62. In my view the law of passing off does not protect a goodwill of trivial extent. Before trade mark registration was introduced in 1875 there was a right of property created merely by putting a mark into use for a short while. It was an unregistered trade mark right. But the action for its infringement is now barred by s.2(2) of the Trade Marks Act 1994. The provision goes back to the very first registration Act of 1875, s.1. Prior to then you had a property right on which you could sue, once you had put the mark into use. Even then a little time was needed, see per Upjohn L.J. in BALI Trade Mark [1969] R.P.C. 472. The whole point of that case turned on the difference between what was needed to establish a common law trade mark and passing off claim. If a trivial goodwill is enough for the latter, then the difference between the two is vanishingly small. That cannot be the case. It is also noteworthy that before the relevant date of registration of the BALI mark (1938) the BALI mark had been used ‘but had not acquired any significant reputation’ (the trial judge’s finding). Again that shows one is looking for more than a minimal reputation.”

46. However, a small business which has more than a trivial goodwill can protect signs which are distinctive of that business under the law of passing off even though its reputation may be small. In *Stacey v 2020 Communications* [1991] FSR 49, Millett J. stated that:

“There is also evidence that Mr. Stacey has an established reputation, although it may be on a small scale, in the name, and that that reputation preceded that of the defendant. There is, therefore, a serious question to be tried, and I have to dispose of this motion on the basis of the balance of convenience.”

47. See also: *Stannard v Reay* [1967] FSR 140 (HC); *Teleworks v Telework Group* [2002] RPC 27 (HC); *Lumos Skincare Limited v Sweet Squared Limited and others* [2013] EWCA Civ 590 (COA)

48. In her first witness statement dated 4 November 2014, Ms Kennedy outlines her business activities as follows:

*“6...[In 2000] the Company’s business model was changed to the design, manufacture and retail of high visibility (hi-viz) items and clothing for the horse, rider and pet market. My Company currently sells to retail customers in the UK via my company website and retail shows, and to Amazon.co.uk and other retail outlets...”*

*7. I believe that my Company was the first in the UK to manufacture pink high visibility equestrian products, and to recommend the use of high-visibility equestrian items during the summer as well as the winter months. Traditionally, high visibility equestrian products were only stocked by retailers during the winter and were yellow in colour.*

*8. My Company currently manufactures and stocks 39 different products in 253 combinations of size and colour. All of my Company’s rider products (except one, which is unsuitable for CE testing) have been independently tested by a government-registered test house to EN1150 and EN353 standards, and carry a CE mark as well as an individual CE certificate. The CE marking is a manufacturer’s declaration that the product meets the requirements of the relevant EC directives. This ensures that my Company is in complete compliance with the European Personal Protective Equipment Directive 89/686/EEC. There is a significant cost associated with having products certified in this way.*

*9. I believe that my Company has a reputation for both high-quality, fully certified goods, and excellent customer service.*

*10. In 2003 my Company was approached by Battle Hayward & Bower Limited, an established equestrian trade distributor. My Company’s products were subsequently sold via their sales representatives and through their printed trade catalogue to equestrian retailers until 2012.*

*11. In 2009 I liaised with Trilanco Limited, another large equestrian trade distributor, and subsequently supplied them with my Company’s products until 2011.*

*12. Over the years I have regularly attended numerous annual trade and retail shows, such as The Horse of The Year Show, both in the UK and overseas. My Company has advertised in retail and trade equestrian magazines and directories. My Company also ran a six-month advertising campaign on Horse & Country TV, a satellite TV channel...*

*13. My Company has supplied products to several UK mounted Police Force units, and has made bespoke products for the Household Cavalry.*



14. *My Company sponsored the British Driving Society TREC competitions for four years. TREC (Technique De Randonnee Equestre De Competition) is an equestrian sport which develops the skills needed by a horse and rider while out hacking.*

15. *In 2006 my Company was approached by the Ministry of Defence to quote for designing and supplying 2000 high-visibility tabards and rugs which were given away free by the British Horse Society to riders in military aircraft training flight paths, as part of a joint British Horse Society/Ministry of Defence safety scheme.*

16. *My Company has had further involvement with the BHS, including supplying high-visibility products for their road safety campaigns and sponsoring the BHS at the Royal Windsor Horse Show.*

17. *In 2010 I was approached by the British Equestrian Trade Association (BETA) and was one of five manufacturers invited to be on the steering committee of a BETA national scheme to ensure high-visibility products meet the required European EN1150 standard.*

18. *In late 2007 my mother was diagnosed with an advanced cancer and as a result I had to cut back on some shows and the production of new products. I nursed my mother at home until her death in late 2008. I then tried to look after my elderly father, who has Parkinson's disease and needs constant care, from a distance. This proved very difficult and I subsequently moved in late 2009 to the above address where I care for him full-time.*

19. *The above events forced me to re-evaluate all aspects of my business and I decided to stop wholesaling my Company's products in late 2012, and to resign from BETA. However, my Company's retail activities, website and attendance at retail shows have continued throughout this period unabated. My Company's products will be offered to trade customers again from Quarter 4 2014."*

49. In her first witness statement, Ms Fletcher outlines her position as follows:

"22. In August 2013 I became aware that the V-Bandz trademark was available for purchase and had been for over three years, since 13th September 2010. I believe that the trademark was abandoned by its previous owner (historically registered as V-Bandz UK00003019127) and made reasonable enquiries to establish that this was the case. Equisafety Ltd did carry out due diligence to ensure beyond reasonable doubt that the trademark was legitimately abandoned and available for registration by Equisafety Ltd without any genuine impediment whether legal or ethical. I refer specifically to documents that prove that the previous owners of the trademark were written to (at current addresses) by their own agent informing them of the fact that the trademark was lapsed.

25. I...ran searches with Companies House and obtained abbreviated accounts as filed by V-Bandz Ltd over the past several years. I refer to the financial profile contained within the Statement of Mr Benjamin Mansell which summarises the information that was publically available to Equisafety Ltd at the time. This clearly suggests that V-Bandz Ltd is in fact technically insolvent as it has had negative net assets/shareholders' funds for many years and as such Equisafety Ltd considers that the company has not been actively or significantly trading for some time...

26. It is clear as a result of the above information and supporting documentation that V-Bandz Ltd has not significantly traded for some years, was made aware that their trademark had lapsed and had no interest in renewing the lapsed trademark or developing the brand. V-Bandz Ltd financial disclosures also support the conclusion reached by Equisafety Ltd when considering purchase of the trademark that the company is insolvent. This evidence also makes it doubtful that there exists any residual goodwill in favour of V-Bandz Ltd as the company is insolvent and clearly has not had the resources to "significantly" use and promote the V-Bandz mark as claimed.

27. The intention was and is for Equisafety Ltd to revive the failed brand, overhaul its image and launch a new budget range of high visibility products. There is now produced and shown to me marked "NF5" [ ] which shows the work that has already been done towards this goal and proves that Equisafety Ltd have registered this trademark in order to use it and develop it and for sound commercial reasons (in good faith). Ms Kennedy has stated her *facebook* page was set up on the 13th of December AFTER we contacted her about the trade mark. Since October the 29th nothing has been added to the *facebook* page of 317 friends.

28. With reference to allegations made by Dr Banford regarding the entity registering the V-Bandz trademark: let us be clear — Equisafety Ltd in the first instance registered the trademark. As such, there has been no attempt as suggested by the other party to mastermind a cunning scheme to conceal the "true" identity of the holder of the trademark. The trademark was transferred to Ms North (who has been associated with Equisafety Ltd) for legitimate commercial reasons. Because Equisafety Ltd is releasing the V-Bandz products under a "budget" range there was some discussion that it might be better to market the products under a different trading style to clearly separate them from the more luxury Equisafety brand. As such, the trademark was temporarily held by Ms North while this issue was considered.

There has never been any attempt to disguise the true ownership of the trademark for devious reasons, this was simply a result of marketing and PR developments. This is a common and understandable approach that is often used even by very large corporations.

29. As a result of the above statements, explanations and evidence provided we believe that any reasonable person would agree that

Equisafety Ltd did not act in bad faith in relation to the registration of this trade mark. In addition, Equisafety Ltd states that it is not “bad faith” to attempt to prevent Fiona Kennedy or V- Bandz Ltd from using the V-Bandz mark for the following reasons:

30. We have clearly demonstrated that V-Bandz Ltd has not had the intention of trading using the mark because they voluntarily let the trademark lapse.

31. The company is insolvent and has had not had the resources to operate or promote or develop the brand as claimed.

32. The company has only objected to the registration of the mark by Equisafety Ltd after the event because they wish to prevent Equisafety Ltd making a success of the brand despite the fact that they had no intention or ability of using it themselves and we suggest that this is acting in bad faith.”

50. It is clear from the evidence provided by Ms Kennedy that since some time in 2003 V-Bandz has sold goods under the V-Bandz name and promoted the name through advertising and sponsorship. Examples include:

- Selling through Battle Hayward & Bower Limited since 2003 and Trilanco Limited, since 2009 (both equestrian trade distributors).
- Attending numerous trade and retail shows:

The Horse of the Year Show has approximately 250 exhibitors in its retail village each year, where around 60,000 visitors spend in excess of £6 million. Exhibit FK42 is a letter from Sarah Bird, the Group Commercial Head of Grandstand Media who organise the show. The letter confirms that Ms Kennedy has been a tradestand holder at the show every year from 2003 up to and including 2014.

Ms Kennedy’s company attended Your Horse live equine show in 2009, 2010 and 2012. The event takes place in Warwickshire annually and attracts in excess of 21,000 horse riders (FK45). Ms Fletcher’s company Equisafety Limited also attended those shows.

Ms Kennedy’s company exhibited at The South West Christmas Equine Fair in 2004, 2007, 2008, 2010, 2011 and 2012. It takes place in Exeter and attracts approximately 8,000 visitors (FMK47). Ms Fletcher’s company also attended the fair in 2011 and 2012.

Ms Kennedy’s company exhibited at The London International Horse Show at Olympia in 2004, 2005 and each year from 2007 to 2013. It attracts 80,000 visitors and has a shopping village with 250 exhibitors (FMK49). Ms Fletcher’s company attended the show in 2004, 2005, 2007 and every year from 2010 to 2013.

Ms Kennedy's company exhibited at the Royal Windsor Horse Show (which attracts 40,000 visitors) in May 2013 (FMK51).

- Advertising in retail and equestrian magazines:

See exhibit FMK08 which is the front cover of Equestrian Trade News (ETN), dated August 2006 (circulation 5,500-9,000). It shows two riders wearing pink high visibility products from the V-Bandz range, confirmed at the bottom of page three of the magazine. See also exhibit FMK10 which is the front cover and pages 4 and 24 of the August 2009 edition of the same magazine. Under the heading, 'Reaching the Standard' it states:

*"V-BANDZ has been busy revamping its range of hi-viz rider products, ensuring they are both stylish and comfortable while meeting British Safety Standards... 'This has taken really dedicated hard work to achieve these standards for our products, as well as considerable financial investment,' said V-Bandz managing director Fiona Kennedy. 'We are very pleased with the results and the styling and retailers can be confident they are selling a legally compliant product.'"*

A photograph below the article shows three riders wearing waistcoats and tabards in hi-viz yellow and pink variations. The equestrian trader 'Battles' is given as the contact for purchase.

Exhibit FMK11 is the front cover and pages from ETN dated September 2011. Page 42 of the magazine includes information about V-Bandz trade only website being launched that month.

Exhibit FMK13 comprises pages from September 2009 Equestrian Business Monthly, which features an article about hi-viz equestrian products and includes an interview with Fiona Kennedy as the MD of V-Bandz.

- In 2011 V-Bandz Limited was named as the best-known ("hi-viz") brand in a British Horse Society (BHS) web survey conducted between 30th March and 1st June 2011, to which over 11,000 people responded (exhibits FMK01, FMK02 and FMK03).
- Ms Kennedy paid to advertise her company, V-Bandz Ltd, in the BHS 'Riding and Roadcraft Manual' in 2003, 2009 and 2011. She describes the manual as the equestrian equivalent of the Highway Code.
- Ms Kennedy was featured on [www.eqlife.co.uk](http://www.eqlife.co.uk) on 7 September 2012. She describes eqlife as an industry leading website for equestrian news, views and events. Ms Kennedy is featured in respect of her expertise in hi-viz as the CEO of her company, V-Bandz Ltd. (FMK34)
- Commissioning a six month advertising campaign on Horse & Country TV (a British satellite channel). Exhibit FMK19 is an email confirming 8 adverts per day for 8 months, starting in November 2007. The adverts were to promote V-Bandz products and the company.

- Supplying products to several UK mounted Police Force units, and supplying bespoke products to the Household Cavalry.
- Sponsoring the British Driving Society (TREC) competitions for four years.<sup>8</sup> Exhibit FMK20 is an article on www.horseit.com. Paragraph 3 states:

*'BDS-Trec is sponsored in 2005 by V-Bandz Ltd, a company specialising in high class visibility gear for horses and humans...', confirming V-Bandz sponsored the 2005 BDS-Trec event.'*

- In 2006 designing and supplying 2000 high-visibility tabards and rugs for the Ministry of Defence which were given away free by the British Horse Society (BHS) to riders in military aircraft training flight paths as part of a safety scheme.
- Supplying high visibility products for BHS road safety campaigns.
- Sponsoring BHS at the Royal Windsor Horse Show.
- Providing V-Bandz goods as competition prizes. Exhibit FMK26 is issue 4 of the New Rider Newsletter, dated February 2002, offering two sets of reflective leg bands by V-Bandz as the competition prize.
- Being invited by the British Equestrian Trade Association (BETA) to be one of five manufacturers on a steering committee ensuring high visibility products met the relevant European safety standards.

51. Turnover figures for V-Bandz Ltd are provided initially at FMK06 and have been calculated by David Michael Jones, Ms Kennedy's accountant. At exhibit NF7, Ms Fletcher says of the figures:

*"As you can see Ms Kennedy owes creditors £92,946...the company is over -£152,998 in debt.*

*Ms Kennedy has sent you every year from Companys [sic] House, which proves what I have stated above. As you can clearly see V-Bandz has never in the 15 years shown ever made a profit and has always been in debt. There is clearly no good will to be had with a company that runs at a yearly loss. I would go far to say [sic] that this could be possibly illegal."*

52. In her second witness statement, Ms Fletcher states that V-Bandz Ltd is an insolvent company and should not be trading, she also raises questions regarding the calculation of Ms Kennedy's accounts.

53. In his second witness statement, dated 31 January 2015, Mr Jones replies in the following terms:

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<sup>8</sup> TREC is Technique De Randonnee Equestre De Competition which is an equestrian sport which develops horse and rider skills used whilst hacking.

*“3. I am a qualified Certified Accountant with 30 years’ experience in commerce and industry, working with multi-million pound companies whose turnover and profitability have been substantial. I therefore refute the allegation that I am not a professional. I also confirm that the financial statements I have filed on behalf of V-Bandz Limited represent, to the best of my knowledge, a true and fair view of the state of affairs of the Company as at the end of each financial year and of its profit and loss account for each financial year.*

*4. I further confirm that Ms Fletcher’s statement that V-Bandz Limited “has never made a profit” is incorrect. In addition, her statement that V-Bandz Limited is “£152,998 in debt” is untrue. Having reviewed Exhibit NF7, it appears to me that Ms Fletcher has simply mistakenly added together the company’s net worth and the external creditors, in order to reach this figure.*

*5. The current total creditors of the Company include a Director’s loan. In my experience, it is not uncommon for limited companies to be dependent upon funding from directors or shareholders. I confirm that the full financial statements of the Company as produced by myself have included the following statement: ‘These financial statements have been prepared on a going concern basis. The company is dependent on the support of the director (who is also a shareholder). The director has confirmed that she will support the company and therefore the going concern basis is believed to be appropriate. The financial statements do not include any adjustment that might be necessary if the support were withdrawn.’*

*6. I further confirm that, based upon the documentation from which I have prepared the annual financial statements for the Company, V-Bandz Limited has been actively trading every year since 1999, and continues to do so.”*

54. Evidently, as a qualified accountant, Mr Jones has a duty of care to his client to provide accurate information. I have no reason to doubt the figures provided by Mr Jones which are as follows:

<b>Year end (31 December):</b>	<b>Turnover (£):</b>	<b>Distribution costs:<sup>9</sup></b>
2000	27,506	13,144
2001	57,410	7,454
2002	120,480	8,616
2003	142,203	15,022
2004	119,825	15,242
2005	105,721	12,776
2006	117,337	16,946
2007	100,383	18,471

<sup>9</sup> At paragraph 22, Ms Kennedy describes ‘Distribution Costs’ as, “comprising advertising and promotion, brochures and literature and exhibition costs”.

2008	72,606	8,185
2009	104,166	10,968
2010	116,128	8,780
2011	72,606	10,434
2012	29,925	9,982
2013	27,710	8,856

55. I accept that it would have been better had Ms Kennedy given examples of invoices and/or proof of sales made from her website. I would assume that such documents are available to Ms Kennedy. However, the fact that the evidence could have been better marshalled does not mean that I should simply dismiss it.

56. By her own admission, Ms Kennedy scaled down her business following family bereavement and the need to care for her father. Clearly during this time Ms Kennedy stopped wholesaling her goods. Ms Fletcher makes much of the fact that wholesalers were only selling old stock of Ms Kennedy's goods following the lapse of her trade mark but even if that is the case, Ms Kennedy states that retail sales continued through her website and she has shown that she continued to attend numerous equine shows around the UK at which she exhibited as a trader.

57. The figures provided by Ms Kennedy's accountant support such a finding and show that Ms Kennedy did not cease to trade the moment her earlier trade mark registration lapsed. The sales figures are not enormous but they are certainly not trivial in a specialist market such as high visibility products for the equestrian market. The evidence in its totality indicates a continuing trade in high visibility goods for both horses and riders since at least 2003 until the present, albeit at a lower intensity following the in her domestic arrangements.

58. Even if it were the case that Ms Kennedy ceased trading on the day that her trade mark lapsed, and I do not believe that is the situation here, there is the issue of residual goodwill to consider.

59. In *Ad Lib Club Limited v Granville* [1971] FSR 1 (HC), Vice Chancellor Pennycuik stated that:

"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."

60. It seems from the evidence that Ms Kennedy is one of a small number of businesses providing high visibility products for the equine market. The evidence

shows that Ms Kennedy and V-Bandz were regularly involved with equine safety, featured in a number of magazines and equine publications and provided advice regarding safety and visibility to horse riding members of the public as well as through equine groups and networks. The goodwill generated by Ms Kennedy and V-Bandz until her trade mark lapsed in 2010 would certainly have survived from 2010 to 2013 when Ms Fletcher (under Equisafety Limited) applied to register its V-Bandz mark.

61. Taking all of the evidence into account, I find that the applicant's goodwill at the relevant date was sufficient to be protected under the law of passing off.

62. The words are used for the most part in plain text in descriptions of the goods, promotional material for V-Bandz Ltd and V-Bandz goods, in magazines and on websites. There is also some use of the sign as registered in 3041782 where V-Bandz is presented at an angle with a multi-coloured background. Overall the use shown is such that the goodwill is associated with the words, per se.

63. Clearly, as I have found goodwill existed at the relevant date I must go on to consider the remaining elements of the test for passing off.

### **Misrepresentation**

64. In *Neutrogena Corporation and Another v Golden Limited and Another* [1996] RPC 473, Morritt L.J. stated that:

"There is no dispute as to what the correct legal principle is. As stated by Lord Oliver of Aylmerton in *Reckitt & Colman Products Ltd. v. Borden Inc.* [1990] R.P.C. 341 at page 407 the question on the issue of deception or confusion is

'is it, on a balance of probabilities, likely that, if the appellants are not restrained as they have been, a substantial number of members of the public will be misled into purchasing the defendants' [product] in the belief that it is the respondents' [product]?'

The same proposition is stated in Halsbury's Laws of England 4th Edition Vol.48 para 148. The necessity for a substantial number is brought out also in *Saville Perfumery Ltd. v. June Perfect Ltd.* (1941) 58 R.P.C. 147 at page 175 ; and *Re Smith Hayden's Application* (1945) 63 R.P.C. 97 at page 101."

And later in the same judgment:



"... for my part, I think that references, in this context, to 'more than *de minimis*' and 'above a trivial level' are best avoided notwithstanding this court's reference to the former in *University of London v. American University of London* (unreported 12 November 1993). It seems to me that such expressions are open to misinterpretation for they do not necessarily connote the opposite of substantial and their use may be thought to



reverse the proper emphasis and concentrate on the quantitative to the exclusion of the qualitative aspect of confusion.”

65. I have found Ms Kennedy and V-Bandz to have goodwill in respect of high visibility products for the equestrian market. It is not disputed that both parties operate in this field. Neither Ms Fletcher nor her representatives have made any submissions in respect of misrepresentation, however, I go on to consider this further.

66. The goodwill belonging to Ms Kennedy and V-Bandz is associated with the words V-Bandz in plain text and in the stylised form which is shown below. Ms Fletcher and Equisafety’s mark is for the same words, V-Bandz and is stylised. The stylised marks are presented as follows:

Ms Kennedy and V-Bandz	Ms Fletcher and Equisafety
	

67. The signs are visually highly similar. Both are presented at the same angle, with colours forming a part of the sign. The fact that one has a coloured background and the other has colouring around the letters is, in my view, unlikely to be remembered by the consumer. They will be remembered as the words V-Bandz presented at an angle with some colours in the mark. They are obviously aurally identical and to the extent that there is a conceptual message, it will be the same for both signs.

68. I come to the firm view that the use shown by Ms Kennedy and V-Bandz is such that the words will be seen as part of its origin in a trade sense. They are distinctive of her and her business. In this case, the words relied on by the Ms Kennedy and those included in Ms Fletcher’s mark are identical. I consider that a person who is aware of Ms Kennedy and V-Bandz would believe that Ms Fletcher/Equisafety’s goods being sold under the contested mark had originated from the same undertaking, that of Ms Kennedy and V-Bandz. In conclusion, a normal and fair use of the trade mark 3019127 at the relevant date would have constituted a misrepresentation to a substantial number of people.

### Damage

69. Again, neither Ms Fletcher nor her representatives have made submissions on this point. Having found that the goodwill and misrepresentation limbs of the test have been satisfied and that the parties’ respective goods are for the most part identical, it follows that damage to the applicant’s goodwill will arise by, e.g. a diversion of business.

70. Damage can also be wider than simply a loss of sales. In *Maslyukov v Diageo Distilling Ltd* Arnold J stated:

“85 Secondly, counsel submitted that the hearing officer had wrongly failed to recognise that damage resulting from Diegeo's loss of control over the marks, including erosion of distinctiveness of the marks, was sufficient damage to sustain a passing off action, as shown by the following passage from McAlpine at [20] which the hearing officer himself quoted at para.128 of the decision:

“When it comes to considering damage, the law is not so naïve as to confine the damage to directly provable losses of sales, or ‘direct sale for sale substitution’. The law recognises that damage from wrongful association can be wider than that. Thus in *Ewing v Buttercup Margarine Ltd (1917) 34 R.P.C. 232* Warrington L.J. said:

‘To induce the belief that my business is a branch of another man's business may do that other man damage in all kinds of ways. The quality of the goods I sell; the kind of business I do; the credit or otherwise which I might enjoy. All those things may immensely injure the other man, who is assumed wrongly to be associated with me.’

In so saying, he was not limiting the kinds of potential damage to those listed by him. Rather, he was indicating that the subtleties of the effect of passing off extend into effects that are more subtle than merely sales lost to a passing off competitor. In *Associated Newspapers Ltd v Express Newspapers [2003] F.S.R. 909* at 929 Laddie J. cited this passage, referred to other cases and went on to say:

‘In all these cases [that is to say, the *Clock Ltd* case referred to above and *Harrods v Harrodian School [1996] R.P.C. 679*], direct sale for sale substitution is unlikely or impossible. Nevertheless the damage to the claimant can be substantial and invidious since the defendant's activities may remove from the claimant his ability to control and develop as he wishes the reputation in his mark. Thus, for a long time, the common law has protected a trader from the risk of false association as it has against the risk of more conventional goods for goods confusion.’

The same judge expressed himself more picturesquely, but equally helpfully, in *Irvine v Talksport Ltd [2002] 1 W.L.R. 2355* at 2366. Having pointed out the more familiar, and easier, case of a defendant selling inferior goods in substitution for the claimant's and the consequential damage, he went on to say:

‘But goodwill will be protected even if there is no immediate damage in the above sense. For example, it has long been recognised that a defendant cannot avoid a finding of passing off by showing that his goods or services are of as good or better quality than the claimant's. In such a case, although the defendant may not damage

the goodwill as such, what he does is damage the value of the goodwill to the claimant because, instead of benefiting from exclusive rights to his property, the latter now finds that someone else is squatting on it. It is for the owner of goodwill to maintain, raise or lower the quality of his reputation or decide who, if anyone, can use it alongside him. The ability to do that is compromised if another can use the reputation or goodwill without his permission and as he likes. Thus Fortnum and Mason is no more entitled to use the name FW Woolworth than FW Woolworth is entitled to use the name Fortnum and Mason ...' 'The law will vindicate the claimant's exclusive right to the reputation or goodwill. It will not allow others so to use goodwill as to reduce, blur or diminish its exclusivity.' (at 2368)

In *Taittinger SA v Allbev Ltd* [1994] 4 All ER 75 at 88, Peter Gibson L.J. acknowledged that:

'Erosion of the distinctiveness of the name champagne in this country is a form of damage to the goodwill of the business of the champagne houses.' The same view was expressed by Sir Thomas Bingham MR at 93."

71. To illustrate the point further, I note that in *WS Foster & Son Limited v Brooks Brothers UK Limited* [2013] EWPC 18, Mr Recorder Iain Purvis QC stated:

*"Damage*

55 Although proof of damage is an essential requirement of passing off cases, it will generally be presumed where a misrepresentation leading to a likelihood of deception has been established, since such deception will be likely to lead to loss of sales and/or more general damage to the exclusivity of the Claimant's unregistered mark. Mr Aikens accepted that if there was a misrepresentation in the present case, then he had no separate case on damage. I hold that damage is inevitable, at least in the sense recognised in *Sir Robert McAlpine v Alfred McAlpine* [2004] RPC 36 at 49 (the 'blurring, diminishing or erosion' of the distinctiveness of the mark)."

72. I therefore find that use of Ms Fletcher and Equisafety Ltd's mark at the relevant date was liable to be restrained under the law of passing off. **The application for invalidation under section 5(4)(a) therefore succeeds.**

## The 3(6) ground against TM 3019127

73. Section 47(1) of the Act states:

“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).”

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

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

75. The law relevant to this ground was summarised by Arnold J. in *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited*<sup>10</sup> in the following terms:

“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*

[2008] 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].

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<sup>10</sup> [2012] EWHC 1929 (Ch)

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)."

76. In accordance with the comments of Arnold J. at paragraph 131 of *Red Bull*, the position must be judged at the date on which the application for registration was made, which in this case is 21 August 2013. It is also clear from the case law that an allegation of bad faith is a serious one which must be distinctly proved.

77. The tests I must apply in making an assessment under section 3(6) are well established. I must determine what Ms Fletcher's knowledge was at the relevant date, namely, the date on which the trade mark application was filed. Having made such a finding, I must determine whether, in light of that knowledge, the application was made in bad faith.

78. It is clear from the evidence provided by both sides that these parties had known of each other for a number of years before the events complained of. It is also clear that their relationship was not an amicable one. In her eighth witness statement Ms Kennedy states that:


*"Over the years my relationship with Ms Fletcher has continued to deteriorate, to the point where, on several separate occasions, arguments between myself or my staff and Ms Fletcher at equestrian retail shows have led to the police being called out."*

79. Ms Fletcher does not dispute that she knew of Ms Kennedy and V-Bandz before the earlier registered trade mark lapsed in 2010. From then until the date on which Ms Fletcher applied for the mark, both parties attended the same horse and equine shows as exhibitors, both operating in the high-visibility equine market. By way of example they were both present at the Your Horse Live events in 2010 and 2012, South West Christmas Equine Fair 2011 and 2012 and the London International Horse Show for four years, 2010-2013.

80. The parties operate in a niche market where it would seem from the evidence that they are the principal if not the only traders. During the three years before the relevant date, they were each attending the same trade shows and appearing in and advertising in the same publications. In my view, it is clear that Ms Fletcher knew that Ms Kennedy was still trading in V-Bandz goods between 2010 and when Ms Fletcher's company, Equisafety, applied for the mark.

81. Having concluded what Ms Fletcher knew at the relevant date I must assess whether, in light of that knowledge, her conduct fell short of the acceptable standards of commercial behaviour judged by ordinary standards of honest people in business.

### **The assignment to Sarah North**

82. On 21 August 2013 Equisafety Limited applied to register the mark  which is the subject of these proceedings. An assignment was filed soon afterwards with an effective date entered on the register of 21 August 2013.

83. On 12 December 2013 a woman calling herself Sarah North contacted Trading Standards Hammersmith (FMK95) stating that she owned the V-Bandz trade mark and made a request that Trading Standards should close down Ms Kennedy's stand at the International Horse of The Year Show at Olympia and confiscate all merchandise as counterfeit.

84. On 10 February 2014 Ms Kennedy received an email from Mrs S North (FMK99) informing her that she was not legally allowed to sell or promote any products under the V-Bandz trademark or legal proceedings would be brought and goods would be seized. The end of the email stated:

*"We have also contact [sic] all necessary equine magazines as I see that you are promoting your '4 seasons jacket' under my trade mark name."*

85. On the same date, 10 February 2014, an email was sent to Horse & Rider Magazine requesting that a feature about V-Bandz Ltd's '4 seasons jacket' be removed as Ms Kennedy was illegally using Sarah North's trade mark (FMK100). The email included the statement, "Fiona Kennedy is being dealt with by trading standards at the moment".

86. At paragraph 26 of her tenth witness statement, Ms Kennedy states that a new *facebook* page was set up on her behalf, in December 2013, by her PR company Holdsworth PR, in order to promote the '4 season jacket'.

87. On 11 February 2014, Ms Kennedy received an email from *facebook* stating that the new *facebook* page had been removed following a complaint from Sarah North that the page infringed her rights (FMK104). Ms Kennedy replied to *facebook*, Ms Fletcher and Ms North stating that the matter was being dealt with by her representative.

88. On 12 February 2014, Ms Kennedy received an email from Sarah North advising that she stop sending information to magazines about her new designs using Ms North's trade mark. The email states: "If this continues I will have no choice but to...contact the ASA." (FMK105).

89. At paragraph 43 of the same witness statement, Ms Kennedy states that she was unable to reinstate the *facebook* page and was unable to run the promotional campaign for her 4 season jacket in February and March 2014. A replacement page was reinstated on 25 March 2014.

90. On 5 March 2014, Ms Fletcher wrote to David Prince at The British Horse Society (BHS) in the following terms (FMK113), reproduced here as written:

*"Dear Mr Prince,*

*I've been advised by your advertising company that you are going to put in some editorial about Mrs Kennedy new jacket into the latest magazine. I would like to advise you that Mrs Kennedy does not own the name V-Bandz Trade Mark and there for any printing of this name without my permission is illegal.*

*I do not give you any permission to use this name under any circumstances. It is not Mrs Kennedys Trade Mark and she is illegally using it.*

*Trading Standards and Lawyers are dealing with her at present.*

*I would also like to know why Equisafety being the largest UK company of equine High viz is never contacted for editorials? You are doing a piece on high viz in the next magazine, surely your readers would want to be interested in our new products?*

*Im quiet sure you contact the largest manufactures of body protectors and riding helmets, so why not high viz?*

*Yet you are only do editorial of a tiny high viz company that is massively in debt and doesn't own their own name??*

*Regards*

*Nicky Fletcher*

*Managing Director"*

91. At paragraph 47 of her witness statement Ms Kennedy states that her advertising was cancelled and she has been unable to advertise with BHS since. They wish the matter to be decided before accepting any further advertising.

92. On 10 April 2014 Sarah North wrote to Ms Kennedy (FMK114) stating (again as written):

*"Please immediately desist from using my trade mark name – V-Bandz on facebook. You are illegally passing off as my company or we will have no option but to complain to Facebook again, who will take it off for you, like last time.*

*I have also emailed your solicitors about a letter they sent me. Ive been away and missed the post. Please can you ask him to send it again or to Equisafety who are kindly dealing with your trade mark complaint.*

*Regards*

*Sarah North"*

93. On 15 April 2014 Ms Kennedy's PR company wrote to her to inform her that her facebook page had been taken down (FMK115). It was reinstated on 25 August 2014.

94. Throughout these proceedings the identity of Sarah North has been a subject of debate between the parties. Until 24 June 2015, when Ms Fletcher accepted that she and Sarah North were one and the same, she had maintained that she was not Sarah North, and they were in fact two different individuals.

95. For example, in her second witness statement Ms Fletcher states, (in response to Ms Kennedy's tenth statement):



*“17.3 Sarah North wrote to Ms Kennedy on 14 November 2013 but Ms Kennedy did not reply. Therefore, Ms North had no choice but to contact Trading Standards as this was the official route to follow due to the breach of her registered trade mark...”*

*17.5 Ms North gave me her password for her v-bandz@hotmail.com email account however it seems to have been “hacked” and we cannot get into the account. So we cannot verify or reply to this exhibit properly.”*

96. The witness statement of Susan Jane Bradley dated 27 November 2014, filed on behalf of Ms Kennedy, outlines the attempts made to identify Sarah North by Ms Kennedy’s representatives, Franks & Co. between 18 December 2013 and the date of the statement.

### **Ms Fletcher’s conduct**

97. Ms Fletcher claims that reasonable enquiries were made to ensure that the V-Bandz mark, which she knew, by her own admission, had been used previously by Ms Kennedy, was available for her and her company’s use. Given that the parties were known to each other, it would have been a simple matter for Ms Fletcher to ask Ms Kennedy if she was still trading under the V-Bandz sign.

98. Even if this were not possible, due to their difficult relationship, Ms Kennedy’s attendance at those events and her inclusion in a number of equine publications during the same period should have at least led Ms Fletcher to conclude that Ms Kennedy was still using the mark and trading under the sign.

99. I find further support for this in the fact that less than three weeks after Ms Fletcher’s V-Bandz mark achieved registration she began a series of complaints against Ms Kennedy and her business under the name Sarah North and later under her own name. This would not have been possible if she did not know that Ms Kennedy was still trading under the sign V-Bandz and promoting V-Bandz products.

100. Such complaints succeeded in preventing Ms Kennedy from advertising her business, holding a *facebook* page in the name of her company (twice), attending an International Horse Show and trading at that show and from advertising or marketing with the British Horse Society with which she had previously been a fairly regular advertiser. Whilst these events occurred after the relevant 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* [2008] 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]. Furthermore, the decision in *Lindt v Hauswirth* makes it clear 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 and, in my view, that is the case here.

101. Ms Fletcher sought to distance herself from the trade mark and these related proceedings by adopting the name of Sarah North. She maintained this fiction before the Tribunal in correspondence until June 2015. Meanwhile, under the name Sarah

North she sought to disrupt Ms Kennedy's business and prevent her from trading in her goods under the V-Bandz sign. I cannot, therefore, find any credence in the claim that Ms Fletcher made reasonable efforts to establish that Ms Kennedy and her company were no longer trading.

102. It may be that in filing her own application after she became aware that Ms Kennedy's earlier registration had lapsed that Ms Fletcher believes she acted legitimately in pursuit of her business. That view is wrong, however, as per point seven of the decision in *Red Bull* her own standards of honesty, or what she considers to be acceptable commercial behaviour, is irrelevant. What matters is whether her actions are such as would be judged by other honest [wo]men in business to be in bad faith.

103. By filing an application for the mark that Ms Fletcher knew had been used by her long term business rival, Ms Kennedy, in the full knowledge that Ms Kennedy was still attending events, trading in her company's goods and advertising her business, she has acted in a way that clearly will be viewed as falling below the standards of acceptable commercial behaviour and I find that she made the application in bad faith. Her subsequent attempts to conceal her true identity and falsify the register serves to emphasise her clear intentions to disrupt Ms Kennedy's business. **The ground under section 3(6) of the Act succeeds.**

## **Conclusion**

**104. The invalidation has succeeded on all grounds. The subject registration is hereby declared invalid. Under the provisions of section 47(6) of the Act, it is deemed never to have been made.**

**105. In the consolidated proceedings 500603, Ms Fletcher and Equisafety rely on this now invalidated registration as the sole basis of proceedings under section 5(2)(b) of the Act. Having found that her registration should be invalidated, she is no longer entitled to rely on it. Consequently, those proceedings are dismissed.**

## **COSTS**

106. The application for invalidation having succeeded, Ms Kennedy is entitled to an award of costs. At the hearing, Mr Banford, on behalf of Ms Kennedy requested a costs award above the usual scale. I allowed Mr Banford 14 days following the hearing in which to file a breakdown of costs. They were duly filed on 13 November 2015. Ms Fletcher's representatives were given a further 14 days in which to make their own submissions on the matter of costs. These were received by the Tribunal on 26 November 2015.

## **Case management conferences and directions**

### First case management conference

107. A TM8 and counterstatement was filed by Ms Fletcher on 14 May 2014. A case management conference (CMC) was appointed for 26 June 2014 to discuss:

The fact that the counterstatement did not address the claim under 5(4)(a).

The existence of the proprietor – at that point, Sarah North (following an assignment).

Requests (from Ms Kennedy's representative) to join Nicola Fletcher or Equisafety to the proceedings and to ask that the registered proprietor (Ms North) should file evidence by sworn statutory declaration or affidavit.

108. The letter appointing a CMC was sent to the parties by the Tribunal on 12 June 2014. On the same day Nicola Fletcher sent an email to the Tribunal in the following terms:

*"...For some strange reason Mrs Kennedy keeps stating Sarah North does not exist? I am at a loss to why she would think this and to say her home address does not exist either is very strange.*

*It's a 400 year old cottage that is not registered due to its age.*

*The fact that the trade mark certificate and her legal representative have sent paper work to the address does not seem to not prove to them anything.*

*Due to this aggravation Sarah has asked me to buy the trade mark back off her whilst this debate is happening as she bought the trade mark in good faith.*

*So I will be filling in a TM16 today, I hope then that this issue will be sorted and we can move from on the ridiculous notion that Sarah North does not exist and deal with the more important issue."*

109. Following the CMC a letter was issued to the parties confirming that Ms Fletcher (who claimed to be acting as Ms North's representative at the CMC) had 14 days to file an assignment from Ms North to Equisafety Ltd. and to file an amended counterstatement in which all of the grounds were admitted, not admitted or denied.

110. A large volume of correspondence followed the CMC. Mr Banford wrote to the Tribunal on a number of occasions requesting that the assignment document be filed as his client's business was being prevented by Ms North and the case was not progressing. On 9 December 2014 a second CMC was appointed.

### Second CMC

111. This took place on 6 January 2015 to discuss the assignment from Sarah North and future management of the case.

112. Following the CMC letters were issued to the parties confirming that Ms Fletcher and Equisafety Ltd were to be joined. The letter also confirmed that the evidence filed by Ms Fletcher on 22 December 2014 was not provided in an acceptable format. Detailed instructions were given with regard to the way in which evidence should be filed in these proceedings, including instructions that the

reformatted evidence should not be altered or added to, simply put into an acceptable format as a witness statement or statements, with attached exhibits.

### Third CMC

113. Following the refiling of evidence Mr Banford wrote to the Tribunal identifying a number of additional paragraphs in the evidence and expressing frustration that directions had not been followed. A third CMC was appointed to take place on 25 February 2015 to discuss the evidence. At the CMC I directed that paragraphs 39-42 of Ms Fletcher's evidence would be struck out. I gave the parties one month to indicate if they wished to file evidence in reply. I gave detailed instructions regarding the difference between evidence and submissions.

114. Considerable volumes of correspondence were received from the parties including a number of emails from Ms Fletcher regarding further evidence. On 2 June 2015, Ms Fletcher wrote to the Tribunal stating that she expected to file further evidence. The request was challenged by Mr Banford on behalf of Ms Kennedy. A fourth CMC was appointed.

### Fourth CMC

115. On the morning of the fourth CMC, on 24 June 2015, Mr Banford indicated he had obtained evidence that showed Ms Fletcher was in fact Ms North. At the CMC I directed that Ms Fletcher's additional evidence was admitted and Mr Banford had two weeks in which to reply to that evidence. Within the same two week period he was to put his late evidence into the correct format. Ms Fletcher would have until 22 July 2015 to respond.

116. Following this direction Ms Fletcher wrote to the Tribunal several times on 9 July 2015 and again on 16 July 2015 and 20 July 2015. In essence, Ms Fletcher contested Ms Kennedy's 12<sup>th</sup> witness statement as, 'a complete waste of time and money' which should not be allowed into the proceedings. She also objected to any mention of Sarah North as this was not relevant to the proceedings. I declined to appoint another CMC and sought to progress these consolidated cases to a substantive hearing. I informed the parties that any further issues would be dealt with as preliminary points at that hearing. Ms Fletcher appointed a representative prior to that hearing and the matter was not re-raised.

### **Ms Kennedy's request for costs above the usual scale**

117. Mr Banford identifies two reasons for requesting an award of costs above the usual scale which is provided in TPN 4/2007. The first is Ms Fletcher's insistence that Sarah North was a real person which caused significant additional work. He states:

*"15...In the event of a successful action, any costs award would have been against Sarah North and would not have been enforceable against Ms Fletcher or her company.*

...

*18. Ms Fletcher continued to maintain the Sarah North masquerade until forced to confess in High Court proceedings, in which there was a prospect of being found in contempt of court, and a prospect of being forced to 'produce' Sarah North. Had this not occurred just in time for us to put it in as late evidence, I submit that the fiction would have been maintained indefinitely."*

118. The second reason identified by Mr Banford is what he describes as, 'Ms Fletcher's conduct' throughout the proceedings. He states:

*14...Said conduct also includes Ms Fletcher's repeated failure to comply with Rules, even when guided by a Hearing Officer, and her disregard for the Registry's Directions following the four Case Management Conferences required in order to deal with her actions and complaints. We estimate proceedings have been lengthened by at least six months as a result of Ms Fletcher's actions..."*

119. The request for costs is made up of the following, reproduced here as written by Mr Banford:

"Extra costs that would not have been incurred without Ms Fletcher's unreasonable behaviour.

Note: these costs are an assessment of the extra work carried out, over and above the work that would have normally been necessary for a case based on s3(6) and s5(4)(a), for which no claim is made beyond costs on the standard claim. They thus include both procedural matters and evidence preparation that would not have been necessary without the introduction of "Ms North" into the case or without other actions by Ms Fletcher. They are based on detailed time records, multiplied by our hourly rate of approximately £300/hr for a fully qualified RTMA/ETMA/CPAJEPA at director/partner level and our hourly rate of £140/hr for a part-qualified patent & trade mark attorney, as appropriate. Please note that each item will also cover reporting and discussing the work with our client, although this may not be expressly listed below:

16-28 Jan 2014 £312.66

Discussing effects on case if Sarah North not genuine; planning how to prove suspected non-existence of Sarah North; confirming Cumbria address on register as not existing on Royal Mail records; preparing and sending recorded letter to Sarah North at register address to request surrender of registration.

7-19 Feb 2014 £367.25

Further planning on locating or disproving Sarah North; confirming above letter not deliverable; making arrangements with our debt collection agency to carry out checks and visit to alleged address

5 Mar 2014	£339.11
Notified of correct postcode to match register address for Sarah North; sending further recorded delivery letter to test whether premises unoccupied, and following up; correspondence with Nicola Fletcher on this issue.	
15 Mar 2014	£88.50
Drafting statement of grounds; estimated component of £250 00 total time required to draft grounds that was required in respect of arguments involving Sarah North 3 April 2014 Report from debt collectors on investigations of Sarah North and Cumbrian address; e-mail correspondence with purported Sarah North concerning letters sent to Cumbria sending further letter to Cumbrian address by recorded delivery to confirm no-one there to receive or pick up from Post Office	
14 May - 4 June	£501.50
Reviewing defective Form TM8 filed by Nicola 2014 Fletcher “on behalf of Sarah North”; concluding no valid defence filed; notifying Trade Marks Registry and Nicola Fletcher of multiple defects and our objections; complex correspondence by e-mail between ourselves, Registry and Nicola Fletcher on this issue.	
16-29 June 2014	£781.08
1st CMC concerning defective TM8: arrangements, preparation of submissions and attending CMC by phone; reviewing minute of CMC; reviewing outcomes and planning next steps.	
30 Jun 2014	£393.33
Resubmitted TM8 analysed and found still to be incorrect; notifying Registry of remaining defects and their significance and requesting action be taken; email correspondence with Nicola Fletcher on this issue.	
22 Jul —5 Aug	£432.67
Evidence rounds postponed until TM8 correct; writing 2014 to Registry to remind of directions from CMC and time limits; receiving complaint from Nicola Fletcher about our writing to Registry; objecting to Registry concerning lack of action from Nicola Fletcher on correcting Form TM8.	
13 Aug — 3 Sept	£354.00
Monitoring recordal of assignment from “Sarah North” 2014 to Equisafety; reviewing email correspondence with Nicola Fletcher forwarded by Registry; planning how to speed proceedings; correspondence with Registry concerning whether Nicola Fletcher had accepted cost regime and repeating request for any evidence from Sarah North to be by Statutory Declaration to prove identity.	

6 Nov 2014

£452.33

Obtaining and reviewing copy of Registry file on case; analysing defects in Form TMI6s; analysing purported assignment from Sarah North to Equisafety Ltd and identifying potential defects in parties named, signatures and witnessing; notifying Registry of defects, apparent incompatibility with TM16 that Assignment accompanied and our conclusions.

2-9 Dec 2014

£275.42

2<sup>nd</sup> CMC concerning defective Forms and defective format of evidence filed by Nicola Fletcher: arrangements and preliminary discussions with Registry on issues to consider

24 Mar-4 Dec

£606.75

Correspondence with Advertising Standards Authority 2014 about identity of complainant suspected to be "Sarah North"; receiving initial refusal to release name; providing arguments and citing legislation why ASA should release name for these proceedings correspondence with ASA lawyers; receiving confirmation that complaints against client were filed by "Sarah North"

22 Aug -2 Oct

£581.25

Correspondence with Bedford and Hammersmith 2014 Trading Standards concerning identity of complainant against client's use of mark at Olympia 2013; receiving refusal under Data Protection Act; providing citation from Act and arguments in favour of release of information; receiving confirmation complaint by Sarah North.

6-12 Jan 2015

£786.67

2<sup>nd</sup> CMC: preparation, attending CMC, receiving decision and aftermath; promptly receiving e-mail from Nicola Fletcher contradicting Decision regarding recordal of ownership and costs; notifying Registry to object to this; monitoring and discussing resulting correspondence between Nicola Fletcher and Registry.

22 Jan — 2 Feb

£750.75

Receiving and checking re-filed evidence from Nicola 2015 Fletcher; discovering additions and amendments to evidence originally filed; discussing importance of additions; notifying Registry of additions and implications, and requesting action; monitoring subsequent complaints from Nicola Fletcher to Registry.

9 Feb — 26 Feb

£761.25

3<sup>rd</sup> CMC on defective evidence: arrangements for 2015 CMC; request from Nicola Fletcher to postpone CMC; considering and agreeing to request; approving new date; preparing and submitting detailed analysis of problems with evidence of Nicola

Fletcher; preparing for and “attending” 3rd CMC; monitoring subsequent correspondence between Nicola Fletcher and Registry on deadlines for action

20-29 Mar 2015 £183.75

Request from Nicola Fletcher for more time to re-file evidence again; receiving request from solicitor assisting Nicola Fletcher unofficially; agreeing new date.

21-23 Apr 2015 £645.75

Preparing and filing Witness Statement of Jonathan Banford summarising complaints concerning misconduct of Nicola Fletcher to date.

29-30 Apr 2015 £212.25

Nicola Fletcher requests leave for file late evidence, immediately after end of evidence rounds; review position and principles of late evidence; notify Registry of our objections to admission of late evidence

2-5 Jun 2015 £766.50

Nicola Fletcher renews request to file late evidence; reviewing proposed late evidence content notifying Registry again of our objections, with further arguments; 4th CMC set to consider late evidence; preparing for CMC, including further submissions

23-24 June 2015 £372.75

Receive Defence in libel case between client and Nicola Fletcher with admission the Sarah North is Nicola Fletcher, review and discuss implications for case; make arrangements to put into evidence; requesting permission from Registry to file late evidence and providing submissions on why evidence qualifies for late filing

24 June 2015 £84.00

4th CMC held on admission of late evidence; receiving decision and advising client on further evidence requirements

29 Jun — 1 Jul 2015 £105.00

Further client correspondence on implications of Sarah North identity for case;

3-8 Jul 2015 £971.25

Collating all information available on relevance and effect of Sarah North identity on case and drafting and submitting 13th Witness Statement of Fiona Kennedy.



3-20 Jul 2015

£687.75

Parts of preparation and submission of 12th Witness Statement of Fiona Kennedy regarding unnecessary and irrelevant late evidence from Nicola Fletcher; monitoring continued protests from Nicola Fletcher against Decision of CMC.

21 Jul -2015

£519.75

E-mail correspondence from Nicola Fletcher regarding Hearing date and necessity for Hearing; further objections from Nicola Fletcher regarding evidence Decision; providing Registry with our views on matter; Nicola Fletcher requesting rearranged hearing date; writing to Registry to query effects on procedure now Nicola Fletcher professionally represented; monitoring further request for changed Hearing date; receiving changed date and making changes to arrangements.

18 Sept 2015

£283.50

Further request for postponement for benefit of Counsel; providing our views to Registry; receiving new date and making further changes to arrangements

All work caused by the Sarah North fiction and/or resulting from Nicola Fletcher's refusal to follow Rules, advice of CMC Decisions

Total

£12,616.77"

### **Ms Fletcher's response**

120. The submissions on costs filed on behalf of Ms Fletcher make a number of points with regard to Ms Kennedy's cost request. Points 42-44 refer to the fact that Ms Kennedy pursued actions which were bound to fail. Since this is clearly not the case, I will not refer to these paragraphs any further.

121. Paragraphs 22 and 23 of the submissions state that Ms Kennedy's evidence is far more complex and voluminous than necessary and contains irrelevant material. Consequently, Ms Kennedy should not receive an award and especially not at the upper end of the scale.

122. It is submitted that the use of the name Sarah North by Ms Fletcher is not relevant as Ms Kennedy always suspected that they were one and the same.

123. It is further submitted that all of the work itemised by Mr Banford in his submissions on behalf of Ms Kennedy are either excessive or irrelevant or both.

### **The award**

124. TPN 4/2007 states the following with regard to off scale costs:

"5. TPN 2/2000 recognises that it is vital that the Comptroller has the ability to award costs off the scale, approaching full compensation, to deal proportionately with wider breaches of rules, delaying tactics or other

unreasonable behaviour. Whilst TPN 2/2000 provides some examples of unreasonable behaviour, which could lead to an off scale award of costs, it acknowledges that it would be impossible to indicate all the circumstances in which a Hearing Officer could or should depart from the published scale of costs. The overriding factor was and remains that the Hearing Officer should act judicially in all the facts of a case. It is worth clarifying that just because a party has lost, this in itself is not indicative of unreasonable behaviour.

6. TPN 2/2000 gives no guidance as to the basis on which the amount would be assessed to deal proportionately with unreasonable behaviour. In several cases since the publication of TPN 2/2000 Hearing Officers have stated that the amount should be commensurate with the extra expenditure a party has incurred as the result of unreasonable behaviour on the part of the other side. This "extra costs" principle is one which Hearing Officers will take into account in assessing costs in the face of unreasonable behaviour.

7. Any claim for cost approaching full compensation or for "extra costs" will need to be supported by a bill itemizing the actual costs incurred."

125. In this case no request has been made for off the scale costs in respect of the usual stage of prosecution in of invalidation proceedings. A request has been made with regard to additional work carried out as a result of 'the actions of Ms Fletcher'.

126. Ms Fletcher submits that Ms Kennedy always suspected that she was in fact Sarah North and therefore no additional costs are appropriate. I disagree. Suspecting something and knowing it are not the same thing. For more than nine months between the dates of the two assignments, Ms Kennedy could not be sure of the identity of the other party to these proceedings. Upon inspection of the first assignment document which indicated that the proprietor had changed to Sarah North, it was not unreasonable to make enquiries as to the identity or even existence of that individual. This is particularly apposite given that Ms Fletcher eventually acknowledged that Sarah North was a fiction, despite having maintained otherwise to Ms Kennedy, her representatives and the Tribunal until June 2015.

127. Ms Fletcher's representatives submit that she was unrepresented for some time and that her behaviour throughout the proceedings was entirely standard given the circumstances. I disagree. Four case management conferences (CMCs) were necessary in order to direct that Ms Fletcher comply with the Rules so as to progress these proceedings. Following each CMC considerable correspondence was received from Ms Fletcher which necessitated a response from both the Tribunal and Ms Kennedy's representative. Following the final CMC numerous emails were received in an attempt by Ms Fletcher to remove Ms Kennedy's 12<sup>th</sup> witness statement from the proceedings.

128. Taking all of these factors into account, and being mindful of TPN 4/2007, I find Ms Kennedy's costs as itemised by Mr Banford, to be entirely reasonable. I award costs on the following basis, taking into account both proceedings:

Preparing a statement and considering the other side's statement:	£300
Filing a defence in respect of 500603:	£200
Preparation for and attendance at the hearing:	£1000
Additional expenditure itemised above:	£12,616.77
<b>Total:</b>	<b>£14,116.77</b>

129. I order Ms Nicola Fletcher and Equisafety Limited, being jointly and severally liable, to pay Ms Kennedy the sum of £14,116.77. This sum is to be paid within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 10<sup>th</sup> day of February 2016**

**Ms Al Skilton  
For the Registrar,  
The Comptroller-General**