

O-385-16

TRADE MARKS ACT 1994

IN THE MATTER OF UK APPLICATION 3130978
IN THE NAME OF VELOCITY EVENTS LIMITED
IN RESPECT OF THE TRADE MARK:



AND

OPPOSITION THERETO UNDER
NO 405534 BY ALAN HEIGHTON.

Background and pleadings

1. The trade mark on the cover page of this decision was applied for on 11 October 2015 by VELOCITY EVENTS LIMITED (the applicant) for the following services:

Class 41

Organisation and management of cycle racing events.

2. The application was published on 30 October 2015, following which, Alan Heighton (the opponent) applied under section 3(6) of the Trade Marks Act 1994 ('the Act') for the application to be refused. The ground for opposition is that the application was made in bad faith. The opponent relies on the following matters to support its claim under s.3(6):

"I am the sole designer of the Tickhill Grand Prix logo. I was surprised to find that my logo had been filed for copyright as I have not be[en] contacted or asked for any permission to do this. This logo was illustrated and designed for no payment because the Tickhill Grand Prix raised money for local charities and also the local cycling club of which I was a member.

The terms have since changed dramatically from money going to charity to being a profitable business and I no longer allow my images to be used to represent this business. The logo has not been licenced at all and therefore Velocity Events Limited is infringing my copyright. As a member of the Association of Illustrators (AOI) I have sought advice and they recommended that I defend the copyright of the logo."

4. On 1 July 2014, the proprietor filed a counterstatement in which it accepts that the opponent was the designer of the mark which is the subject of these proceedings. It denies the rest of the applicant's claims.

5. Both parties filed evidence. The applicant also filed written submissions in reply. I will refer to these as necessary below. A hearing took place on 15 July 2016, by video

conference. The opponent did not attend. The applicant was represented by Mr Richard Stoodley of the applicant company.

6. Both sides seek an award of costs.

Preliminary point

7. I note that the opponent relies upon copyright in order to support his bad faith claim. In addition there are a number of references to an application for copyright. I must point out that the application is not an application for copyright. The subject proceedings concern an application for a trade mark. The opposition is brought under section 3(6) of the Trade Marks Act. Thus, whilst I bear the copyright issues in mind, it is the law relevant to section 3(6) which I must apply in making a decision in this case.

The 3(6) ground and relevant case law

8. 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.”

9. The law relevant to a finding of bad faith was summarised by Arnold J. in *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited*¹ 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

¹ [2012] EWHC 1929 (Ch)

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].

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).”

EVIDENCE

The opponent’s evidence

Witness statement of Alan Charles Heighton with exhibits AL1 and AL2

10. Mr Heighton’s statement is dated 22 March 2016.

11. The key points from Mr Heighton’s statement are as follows:

12. The logo which is the subject of these proceedings was designed between 22 September 2013 and November 2013, following the first event which was organised by Tickhill Velo Cycling Club. The first version of the logo which was designed for that first event is shown at exhibit AL1:



13. Mr Heighton says of this design:

“I designed the logo because I was a member of the Tickhill Velo Club, had developed other artwork for the club and wanted to support the Tickhill Grand Prix going forward. It was always my understanding that ‘The Grand Prix’ was a Tickhill Velo Club event and was intended to be a fixture and annual event for the cycling club going forward.”

14. Mr Heighton states that in 2015 he discovered “that Velocity Events had started procedures to file my logo as their property, without my permission”.

15. He continues:

“The logo was illustrated and designed for no payment on the understanding that Tickhill Grand Prix would raise money for local charities and also the cycling club of which I was a member.

At no point did I say to Tickhill Velo Club the logo will cost you £xxxx. At no point have I ever discussed with Richard Stoodley or Velocity Events Limited the fee I would seek for my logo or the transfer of its copyright ownership.

It has been stated by Richard Stoodley that ‘Payment’ was made to me by free advertising and promotion via an advert in the GP Race Guide/booklet and banner advert on the Tickhill Grand Prix Website. This was never discussed with me. I’ve never assigned copyright of my logo to Velocity Events Limited, Tickhill Velo Club or any individual.

The nature of the way that the Tickhill Grand Prix has been promoted has changed dramatically during the time that Velocity Events Limited have run it on Tickhill Velo Club’s behalf, from money going to charity to being a profitably [sic] business and I have stated in writing to Velocity Events Limited that I no longer allow my images to be used to represent this business.”

Witness statement of Andy Birdsall with exhibits AB1 and AB2

16. Mr Birdsall's statement is dated 22 March 2016. He was the Chairman of Tickhill Velo Club between September 2012 and January 2016 and was a Director of Velocity Events between 27 January 2014 and 21 September 2015. He states:

"The Tickhill Grand Prix logo was commissioned from Alan Heighton by members of Tickhill Velo Club on behalf of Tickhill Velo Club in late 2013 as part of a big push to develop the Tickhill Grand Prix beyond what had been achieved by the club the first time it had been run on 21 September 2013."

17. Attached to Mr Birdsall's statement are two emails from Richard Stoodley. The first is addressed to Ian Davenport, Andy Birdsall, Martin Bowdler and Steve Madin and suggests that the company TICKHILL GP be VAT registered. It was sent to on 6 December 2013. The second is the first page of a nine page email chain. It was sent to Martin Bowdler on 10 December 2013 and discusses setting up a cost plan, which Mr Bowdler offers to collate. At the bottom of the emails is the logo which is the subject of the contested application, presented alongside the British Cycling logo.

Witness statement of Martin John Bowdler with exhibit MB1

18. Mr Bowdler's statement is dated 22 March 2016. He has been a member of Tickhill Velo Club since January 2015 and is the Treasurer. He was a Director of Velocity Events between 27 January 2014 and 16 March 2014. He states:

"Alan has produced artwork for use by a number of cycling clubs in the South Yorkshire area free of charge and has been the force behind all of the branding of Tickhill Velo Club and its annual event the Tickhill Grand Prix..."

The Tickhill Grand Prix logo was commissioned by Tickhill Velo Club in September 2013 and remains largely unchanged since inception. As far as

I am aware all versions have been produced by Alan Heighton. It has been used as a brand for the Tickhill Grand Prix widely since at least November 2013 from my records.

I am not aware of any Contract between Tickhill Velo Club or Tickhill Grand Prix or Velocity Events and Alan Heighton relating to the passing of ownership of copyright of Alan's work."

19. Attached to Mr Bowdler's statement is a screen shot of an online conversation between him and Mr Heighton about which he states:

"Whenever Tickhill Velo Club has wanted to use Alan Heighton's work to promote itself and its events it has routinely asked permission. In May 2015 I asked Alan for his permission to use his artwork for Tickhill Grand Prix use on various printed materials and for a retro cycling jersey Tickhill Velo Club was developing. Alan reminded me at this time that use of his artwork was on the understanding that it was not used 'inappropriately for profit'."

The applicant's evidence

Witness statement of Richard Stoodley with exhibits TGP001-TGP042

20. Mr Stoodley's statement is dated 11 May 2016. He is the Director of Velocity Events (the applicant) and provides the following history of events:

- The Tickhill Velo Club was formed in 2012 – both the opponent and Mr Stoodley were members of the club. Mr Heighton provided a number of designs and artwork for the club which Mr Stoodley believes to have been done free of charge. Mr Stoodley concludes that the Tickhill Velo Club artwork is not the trade mark in question and is not relevant to this application.
- In 2013 it was decided that Tickhill Velo Club would run a small cycling event called Tickhill Velo Grand Prix. Alan Heighton provided the artwork for the 2013

event.² Mr Stoodley concludes that the Tickhill Velo Grand Prix logo is not the trade mark in question and is not relevant to this application.

- In late 2013 Tickhill Velo Club decided not to continue running the event. A company was planned and incorporated to run a much bigger cycling event. The company was Velocity Events Limited trading as Tickhill Grand Prix.
- Alan Heighton (the opponent) was verbally contracted/commissioned to design a new logo for the new Tickhill Grand Prix by the applicant. Mr Stoodley states:

“...the agreement was that payment for services, title and assigned copyright would be made on a contra basis with Alan Heighton receiving not only digital and printed advertising (on our website, event programme and event video over two years) in lieu of payment, but also much social media exposure via the Applicant’s official Facebook page and their Twitter page.

To further exploit this promotion of his own business and website the Opponent also used his own social media pages to promote the event, the website, the programme, merchandise, etc. and often rode on the back of other posts of Tickhill Grand Prix to reach an audience otherwise not available to him without this connection.

This was a commercial agreement.

The logo was commissioned by the Applicant and the Opponent received the benefits in the terms of the agreement in both 2014 and 2015.”

21. Mr Stoodley includes a number of examples of advertising and promotion of Mr Heighton’s own company and website, provided by the applicant through Tickhill Grand Prix promotion. These are as follows:

² The Tickhill Velo Club artwork is shown at paragraph 12 of this decision.

- Alan Heighton’s company logo, which links to his website, displayed as a gold sponsor of Tickhill Grand Prix on the Tickhill.com website, the page is not dated (Exhibit TGP005).
- Pop-out biography and information about Alan Heighton and his commercial illustration business, which can be seen when clicking on his logo in the gold sponsor area of the Tickhill Grand Prix website. The pop-up box gives a link to Mr Heighton’s website. The page is not dated. (Exhibit TGP0006).

Mr Stooley says of this advertising:

“This was given to Alan Heighton in both 2014 and 2015 and is under the position of GOLD SPONSOR on TICKHILL.COM WEBSITE. For a business to be displayed in this area, the rate is between £500 and £3000 per annum +VAT.”

- Event programme advertising in 2014 and 2015. The event programme at exhibit TGP001 shows a quarter page advert for Mr Heighton and his website on page 22 of the 2014 event guide. The issue at TGP002 shows a quarter page advert for Mr Heighton and his website on page 64 of the 2015 event guide.
- Charity Auction and Promotion of Alan Heighton’s work. Mr Stoodley says of this promotion:

“...within this commercial relationship Alan Heighton’s work (that he donated) was included by the Applicant at many high profile charity events (the Applicant is a Charity Auctioneer) such as Steve Redgrave and Dave Rayner Fund Dinner – this was additional promotion.”

Exhibit TGP007 shows a screen shot from *Twitter*. Mr Heighton has retweeted thanks sent to him for providing artwork to be auctioned for a Dave Rayner Fund Dinner. It is dated 9 November 2014.

- Race Prize Presentation – Mr Stoodley states:

“Normally reserved for sponsors who have invested considerable money into the event, the Opponent was also allowed to promote himself and his work by supplying a ‘prize’ for the Women’s Race and presenting it himself.”

Exhibit TGP008 is a screen shot taken from Mr Heighton’s *Twitter* page which shows him presenting a piece of artwork to the winner of the women’s race. It is dated 26 August 2014.

22. In addition Mr Stoodley states that Mr Heighton’s logo was included on the credits of two videos to promote the event in 2014. The videos cost in excess of £4000 +VAT. Tickhill Grand Prix also promoted Alan Heighton’s work, website and retail agent on its *Facebook* and *Twitter* pages.

23. With regard to Exhibit TGP009, Mr Stoodley states:

“It should be noted that on Alan Heighton’s own commercial website – www.alanheighton.com – Tickhill Grand Prix is listed as one of his ‘commercial clients’. This is in contrast to his work for Tickhill Velo Club which is not listed as the work was done free of charge.”

24. On page 9 of his witness statement, Mr Stoodley describes the commissioning of the logo in the following terms:

“...This design evolved to its final version under agreement with [the applicant] (in other words it was not initially suitable for the Applicant’s requirements and was altered until the final version was accepted by the Opponent’s client – the Applicant).”

25. On page 19 of his witness statement he states:

“Just before the 2015 Tickhill Grand Prix, Alan Heighton – the Opponent – fell out with the Applicant. Prior to this they were good friends.”

26. This concludes my summary of the evidence, to the extent that it is relevant.

Decision

27. 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. In this case that is 11 October 2015.

28. The matter I must consider is whether the contested mark in these proceedings was applied for in bad faith in the UK at the relevant date.

29. Taking into account the relevant evidence and submissions filed in support of these proceedings, it is clear that at the time of filing the application to register the trade mark the applicant knew that Mr Heighton designed the artwork for the Tickhill Grand Prix event, which is the subject of this contested application. This is something on which both parties agree. Where the parties differ is that the applicant believes that the opponent was given the necessary consideration in terms of advertising and promotion of his own business in return for the rights to the logo design (which is the subject of this trade mark application), whereas the opponent believes he still holds all of those rights.

30. Claims to bad faith are often predicated upon an allegation of some form of improper motive such as fettering, pre-emption or obstructive desire. It is difficult to see how the applicant could be attempting to fetter the opponent's business, since the opponent has nothing to do with the management of the Tickhill Grand Prix. For the same reason, the applicant cannot be said to be preventing the opponent from entering the market, since he has no vested interest in the Tickhill Grand Prix. It is also difficult to see how the applicant could be seeking commercial advantage by using a logo he believes he commissioned for the business he is already running and has run, with the opponent's knowledge, in both 2014 and 2015.

31. As is shown in the case law above, a person is presumed to have acted in good faith unless the contrary is proved.

32. The sum total of the evidence filed by the opponent is two A4 pages which show various versions of Tickhill Grand Prix and Tickhill Velo Club logos. None of these is dated and no information is provided as to whether they were paid for/commissioned or where they were used. The other two witness statements and exhibits show that the applicant was using the applied for logo at the end of 2013, a fact which supports the applicant's own evidence that the logo was commissioned from Mr Heighton at the end of 2013. Finally, I have a single print of an email exchange between the opponent and one of his witnesses about artwork which is not shown or identified, but is referred to as TVC artwork. A best guess would be that this is Tickhill Velo Club Artwork which is not the logo that is the subject of the proceedings. In any case, even if I am wrong in that interpretation, the nature of the artwork being referred to is not clear and is not sufficient to support the opponent's case.

33. The evidence is not clear about the nature of the agreement between the parties. Even if Mr Heighton retained the copyright in the artwork which is the subject of this application, this is not a case which is based upon whether or not he could prevent the use of the mark under the law of copyright. The question is simply whether the applicant has acted in bad faith by applying for the trade mark. Having considered the evidence and submissions at the hearing there is nothing to suggest that the applicant was attempting anything other than registering the logo which it had commissioned to be used for the organisation and promotion of the Tickhill Grand Prix. I find further support for this view at exhibit TGP009 which shows that the opponent lists the applicant as one of his commercial clients, but does not list the Tickhill Velo Club, for whom he provided designs, presumably as a consequence of his membership of the cycling club.

34. In his evidence Mr Stoodley stated that the parties had fallen out with each other just prior to the Tickhill Grand Prix event in 2015. At the hearing he submitted that the argument was a financial disagreement. Mr Heighton appears to be concerned that the ethos of the Tickhill Grand Prix has changed. However, there is nothing in the evidence to demonstrate that there were any agreements between the parties concerning the nature of the event or how it should be run. It is not clear if this falling out prompted the application, but in any case, it is not an act of bad faith to apply for

a mark which the applicant is already using and consequently, this factor does not disturb my findings above.

35. It is a matter for the opponent to prove his claims, on the basis of the evidence filed, he has failed to do so. The opposition under section 3(6) fails.

COSTS

36. The opposition having failed, the applicant is entitled to a contribution towards its costs. At the hearing, Mr Stoodley confirmed that he sought an award on the Comptroller's scale. The relevant Tribunal Practice Notice is 4/2007 – "Costs in proceedings before the Comptroller". I award costs on the following basis, taking into account that the applicant represented itself:

Preparing a statement and considering the other side's statement	£200
Preparing evidence/ considering and commenting on the other side's evidence	£300
Preparation for and attendance at a hearing	£200
Total:	£700

37. I order Mr Alan Heighton to pay Velocity Events Limited the sum of £700. 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 11th day of August 2016

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