

O-461-16

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK REGISTRATION 3073199

IN THE NAME OF HARVEY PLANT LTD

FOR THE FOLLOWING SERIES OF TWO TRADE MARKS

IN CLASSES 12, 35 AND 37:

mdl powerup

AND

mdl power up

AND

AN APPLICATION FOR INVALIDATION UNDER NO. 501051

BY

MDL POWERUP LIMITED

BACKGROUND AND PLEADINGS

1. On 18 September 2014 Harvey Plant Ltd (the proprietor) applied for the series of trade marks shown on the cover page of this decision. They were subsequently registered for:

Class 12

Motor vehicles, namely, automobiles, trucks, vans, sport-utility vehicles, motor bikes, all-terrain vehicles, utility vehicles and their structural parts and engines.

Class 35

Retail services relating to automotive vehicles and their structural parts and engines.

Class 37

Automotive repair and maintenance services.

2. In terms of the matters that need to be determined by this tribunal, there is no material difference between the proprietor's marks forming the series. I will, therefore, refer to the marks in the singular, focusing on mdl powerup.

3. MDL Powerup Limited (the applicant) seeks invalidation of the registration under the provisions of section 47 of the Trade Marks Act 1994 (the Act). It does so on grounds under sections 5(4)(a) and 3(6) of the Act. In summary the grounds are:

- Section 5(4)(a): At the filing date, the applicant had a reputation and goodwill in the sign MDL POWERUP in relation to the goods and services applied for under the trade mark. The proprietor's trade mark is a misrepresentation leading to confusion or deception that the proprietor is associated with the goodwill in the mark MDL POWERUP and with the business and goods of the applicant.
- Section 3(6): The proprietor was well aware of the applicant and its rights in MDL POWERUP, not least because the proprietor was an authorised dealer of the applicant, prior to applying for the trade mark. The proprietor knew that its

actions would cause disruption and financial harm to the applicant. The proprietor applied for the trade mark with the sole objective of seeking to prevent the applicant from registering its own trade mark and trading under its own name.

4. The proprietor filed a counterstatement defending its registration. It denies the extent to which the applicant has traded under 'MDL Powerup' and does not accept the date at which the applicant claims to have begun trading. In addition, it states:

"9. The Registered Proprietor will say...that it has manufactured, marketed and sold specialist vehicles which incorporate a piece of equipment known as a 'magnetic debris lifter'. The Registered Proprietor has since 2008 abbreviated that term to the letters 'MDL'. In some of the Registered Proprietor's vehicles and attachments, the magnet employed is an electromagnet. That caused the Registered Proprietor to employ the term 'power up' in association with the term 'MDL' in the manufacture, marketing and sale of equipment for vehicles of that type. The Registered Proprietor first used the 'MDL Power UP' trade mark at least as early as 2008. The Registered Proprietor has used the name 'MDL Power UP' consistently since that date and sold equipment for vehicles under that name to its clients which include the likes of the British Broadcasting Company."

5. The applicant filed evidence and submissions and further submissions in lieu of a hearing and is represented by Brabners LLP.

6. The proprietor is representing itself and has not filed evidence or submissions, nor has it sought to challenge, in any way, the evidence filed by the applicant.

7. Neither party requested a hearing. Both sides request costs above the normal scale of costs provided by TPN 4/2007.

THE EVIDENCE

Applicant's evidence

Witness statement by Julie Michelle Metcalfe with exhibits 1-37

8. Ms Metcalfe is a founding member of the applicant and has been a shareholder and director since its incorporation. The co-founding member of the company is Christopher Metcalfe. Ms Metcalfe says of the company:

"The Company was incorporated under the name Metcalfe Developments Limited on 26 January 2010. Metcalfe Developments Limited has traded as MDL Powerup since incorporation..."

9. Exhibit 2 is a print taken from Waybackmachine which shows the website www.metcalfedevelopments.com on 16 May 2010. The print is of the front page with an index to the left. The following text is shown at the top of the page:

*Metcalfe Developments
The home of MDL Powerup*

MDL Powerup is a family-run business that specialises in the purchasing of reliable, efficient and affordable solar products & generators. Our latest product range also includes rotovators, UTVs and agricultural equipment.

10. Ms Metcalfe states that MDL is an abbreviation of Metcalfe Developments Limited and that the company changed its name on 22 April 2015 to MDL Powerup Limited as, *"we had become known by that name."*¹

11. With regard to the nature of the business, Ms Metcalfe states:

¹ Exhibit 1 contains certificates of registration at Companies House and documents showing the change of company name.

“8. MDL Powerup sells a variety of agricultural equipment. In particular we supply tractors, log saws, wood chippers, log splitters, grass/hedge cutters, mowers, backhoes, hole borers and utility vehicles (UTVs).

9. MDL Powerup operates in two ways. Firstly, we sell products directly to customers. One way in which we do this is via eBay through our eBay Shop called MDL Powerup.

10. Secondly, MDL Powerup act as the main dealer for the products. We supply these to ‘sub-dealers’. The sub-dealers sell the products to customers.

11. After careful selection, we purchase all of the products from a company in China and then badge them with MDL Powerup.”

12. Exhibit 3 includes an invoice from System Signs to Metcalfe Developments. It is dated 6 December 2011 and is for 100 stickers described as ‘MDL POWERUP’ and 12 stickers described as ‘POWERUP 500’. Ms Metcalfe states that such stickers are attached to all UTVs.

13. Exhibit 4 comprises an email exchange between Ms Metcalfe and Heather Pritchard. Ms Pritchard is Pedigree Sales and Marketing Manager at Harrison & Hetherington Limited. The emails are dated October 2011 and concern the applicant’s booking for a pen at an auction to sell UTVs. Ms Pritchard requests a logo for the ‘sponsors’ class page’ which is shown as follows:



14. By return email, Ms Metcalfe asks, “Do you know what pen we have, 1, 2 or 3 UTVs?” The response to this question is not shown in evidence.

15. Exhibit 7 shows a range of products offered for sale via the applicant’s website. Ms Metcalfe says of this exhibit:

“Through the website metcalfedevelopments.com, the Company offered retail services for the sale of automotive and motor vehicles and their structural parts including rotovators, trailers, UTVs (utility task vehicles), tractors, generators. In addition through the website metcalfedevelopments.com, the Company offered repair and servicing for any product sold (including rotovators, trailers, UTVs..., tractors, generators)... All products sold were branded MDL and/or MDL Powerup... In particular our UTV products are and were all branded MDL Powerup.”

16. Exhibit 7 is taken from the internet archive website waybackmachine. All of the pages have the following words at the top:

Metcalfe Developments
The home of MDL Powerup

17. Pages are provided for a range of dates from 16 May 2010 – 26 April 2012. Some of the pages are duplicated The first page is the home page from 16 May 2010. Under the description of the business, which I have reproduced above at paragraph 6, is the following statement:

“With all our products you can buy with confidence knowing that we have our own service repair and fabrication workshop that will cater for your every need.”

18. On the same page are a number of headings for products, sales and service support, fabrication workshop, mechanical workshop and delivery. The same page is shown later in the exhibit dated 17 October 2010.

19. The next five pages are from 22 September 2010 and show a range of products. The first photograph is of a vehicle described as UTV 500cc 4x4. The image is of poor quality and I am unable to see any detail. The prices underneath are £4995.00 + vat for the 4 wheel drive (WD) version and £3995.00 for the 2WD version. On the same page are shown the description of UTV500B – 4SEATS 4x4 drive with winch, the image for this vehicle is blank; and UTV300 – 2SEATS 2x4 drive with winch, again the image is of poor quality. The next page lists four UTV specifications for vehicles with winches. No prices are shown and no images have been successfully downloaded. The next page is a list of specifications for Quad & UTV Trailers. The third is a galvanised steel trailer priced at £895. The rest have no prices and no photographs are shown. The next page contains headings for two Rotovators. Both have links to technical design sheets and specifications but no other information is provided and no images are shown.

20. The page from 20 October 2010 shows an image of a vehicle described as UTV 500cc 4x4 WD 4 Seater. No other information is shown and the image is of poor quality so that I am unable to see any further detail.

21. The pages from 24 October 2010 and 23 November 2010 are the same as the first page dated 22 September 2010 and describe the same three vehicles.

22. The page dated 29 January 2011 is headed, 'A selection of our bestselling products can be found below'. The first of these is titled 'Utility vehicles 300cc & 500cc 4x4, loads of extras with these popular UTVs.' A photograph of a vehicle is shown below the heading with the price shown as £3995.00 + vat. The next product is 'Galvanised Quad/UTV Tipping trailers'. A photograph of a trailer tilted backwards is shown below the heading with the price shown as £545.00 + vat. The third products are wind turbines, the fourth is described as 'UTV 500cc 4x4', described as, 'a rough terrain utv with great carrying capacity with 4 seats, with rear tilt bed.' A photograph of the vehicle is shown with the price given as £5995.00 + vat. The next four products are 'stub axle set for 22/11/8 wheels', priced £129.00 + vat; '4000w inverter/charger', priced £775.00 + vat; 'easy start chainsaws', from £86.00 + vat and an 'Mppt Solarmate charger', priced £120.00 + vat.

23. The page dated 24 February 2012 is titled, 'All Terrain Vehicles from £3995.00'. Underneath the heading it states, 'Free full cab including doors and Free Snow plough come with all vehicles'. The text below says:

"Here at MDLpowerup in Cumbria we have identified a need for good quality reliable products at a competitive price."

24. A description of the applicant's goods follows the text, which is presented above the words, '100% parts backup – service hotline 7 days a week – service'.

25. The page dated 25 February 2012 is titled 'UTV 500cc £5995.00 plus vat 4x4 WD 4 Seater road legal!' Underneath the title is a space which appears to be for photographs but these have not been downloaded. At the bottom of the page is the following text:

*"MDL Powerup 500 4x4 Road Legal 4 Seater!
The 500cc 4wd is the latest model of utility vehicle to join the Powerup range in the UK. These UTVs are brand new, imported direct from the manufacturer to MDL. This latest model comes with rev counter, digital fuel and temp gauge, drinks holders and automatic choke. They can be registered for road use without any problem, a service we can provide and are PDI'd before delivery free of charge."*

26. A page dated 26 February 2012 is titled, 'Dealer Network'. Underneath the title is the following text:

"We are currently in the process of starting a dealer network around the UK. Please phone for further information to become a[n] MDL Powerup distributor."

27. In respect of the applicant's website, Ms Metcalfe states that from at least 18 October 2010 until December 2013, the domain name mdlpowerup.com redirected to the website metcalfedevelopments.com. Exhibit 8 comprises pages from waybackmachine showing the redirection from mdlpowerup.com to

metcalfedevelopments.com on twelve dates between 16 May 2010 and 8 February 2014.

28. At paragraph 17 of her witness statement, Ms Metcalfe states that since 30 January 2014 the applicant has used mdlpowerup.com as its primary website. Exhibit 9 is described as prints from the website, *“which show how the website has looked since 30 January 2014.”*

29. The pages show a range of agricultural machinery and vehicles of the type shown earlier in exhibit 7, as well as customer testimonials. However, the waybackmachine date shown for these pages is 20 December 2014, after the date of application for the contested trade mark.

30. Exhibit 10 is an invoice from eBay Europe S.a.r.l. dated 15 September 2010. Ms Metcalfe states that the applicant has traded on eBay since 16 May 2010. The exhibit is a single page of fees due to be paid by the applicant to eBay. It is addressed to MDL Powerup and is dated 15 September 2010. Most of the fees owing are for listing items and the associated costs of including pictures with the listings. Three of the fees relate to items sold during August/September 2010. The first of these is a diesel generator which sold for £822 on 23 August 2010. The second item I cannot read as the print is of poor quality. It relates to a sale on 2 September 2010 for £1080. The third item is an Olive shaker/Harvester which was sold on 2 September 2010 for £201.

31. Exhibits 11 and 12 are prints from eBay which are not dated, although they include a feedback snapshot from a customer which has a date in 2016. They state that jcl252 has been an eBay member since 3 September 2010 and that the same member maintains the applicant's eBay shop. Exhibit 13 is described as 'current listings at this eBay shop all of which refer to MDL Powerup as the 'Business seller' and include further references to MDL Powerup and mdlpowerup.com'. Ms Metcalfe states that although these listings post-date the filing date of the registration, *“...they are illustrative of the listings that we have made on eBay since 16 May 2010 and show that eBay recognise and refer to us as MDL Powerup.”*

32. The listings contained in exhibit 13 are not dated. All of the listings contain the website address mdlpowerup.com and details of the business seller MDL Powerup, both of which are prominently displayed within each product description. The items listed for sale are log splitters, flail mowers, a log saw, a log chipper and an item described as 'MDL Backactor', described as a backhoe. The prices range from £795 to £2200.

33. Exhibits 14 – 34 are copies of correspondence between the parties which Ms Metcalfe submits show the nature of the relationship between them and its subsequent breakdown. Where I have reproduced the content of these emails they are reproduced as written. At paragraph 21 of her witness statement Ms Metcalfe submits:

“On 6 January 2014...we were contacted by another of our dealers, Cessford Motors Limited. Our contact at Cessford Motors Limited, Keith Bruce, forwarded an email that he had received on 03 January 2014 from Ian Higgs at Harvey Plant Limited.”

34. That email is provided at exhibit 14 and reads:

“Hi

We are interested in becoming an MDL Powerup distributor please can you email us some more information.

I have been given the task of trying to expand our family run plant repair business. I am trying to break in to the new equipment sale market and the area I am interested in new golf buggies and UTV.

We have been selling second hand equipment for some time but are looking for a reliable company to supply new equipment.

Look forward to hearing from you.

Ian Higgs”

35. Ms Metcalfe states that following receipt of the email the applicant contacted the proprietor by telephone on 6 January 2014. Exhibit 15 is described as the email that was sent as a result of that conversation. It reads:

"Hi Ian,

Thanks for the conversation.

We can offer you the powerup dealership we just need to discuss the area that will suit us both.

Can you supply any other details of your company such as photos of your work premises etc.? we will pass on all inquiry's in your area as we think this is essential to improve sales and servicing in your area whilst you are setting up and to provide a good aftermarket servicing schedule for customers also for the years to come.

Powerup 300 and 500 models fully cabbed up and full extras a £700 discount will be given from the retail price (€4195 & £5195)

Powerup eco electric utv a £800 discount will be given from the retail price (€6195)

Magnum spreader £820.00

Magnum vib kit £205.00

Snow plough £245.00

We have all parts in stock for our utvs and provide a next day service providing the parts are ordered before 4.30pm. Full workshop and parts manuals will be sent via email.

To be a powerup dealer 4 utvs are required to be purchased but as we have discussed you can purchase 2 and place a deposit down on the next 2 completing the deal within 30 days. We also have a range of mowers, log splitters and other items that will be available to you for sale on your website or on ebay to draw customers into your utv sales these can be sold all over the uk without our dealer restrictions.

Anything else please email me and you will receive a quick reply.

Best regards

Chris

MDL Powerup”

36. The proprietor replied to the applicant in the following terms:

“Re: utv dealership

harvey plant <harveyplantuk@gmail.com>

To Christopher Metcalfe

Hi Chris

With regards to area we would only be-able to cover London & the South as this is the area we cover at this time, with regards to our work space we are in the middle of moving workshops as we have just shut our workshop at pinewood studio but we still have our small workshop at elstree studios. with regards to photos of our workshop, I will need to get permission from elstree studio first as there is a clause in our tenancy.

We are interested in this opportunity just a few more questions

1 How much would the deposit be on the other UTV

2 What is trade discount on the other equipment (Mastiff 500cc & powerup cub)

3 As one of your sub dealers what support would we get from you (sale leads), sales info (leaflets brochure)

4 Would we buy all the attachment (snow plough, salt spreader) direct from you

Ian higgs”

37. The applicant responded on 7 January 2014, as follows:

“Hi Ian,

I understand about the photos no problems.

1. *The deposit on the other utvs would be £1000 plus vat on each of the utvs*

2. *We haven't calculated the trade discounts on the kids utv and atvs we are sorting this out in the next couple of months when the next shipments are due in for these models.*

3. *sales leads would be passed onto you if the enquiry's from your area. We will add you as a dealer for your area in the adverts we place In the shooting times and the NFU magazine and another publications.*

4. *All the other attachments would be purchased through our company apart from the magnum spreaders we would give you a introduction to the Importer who has agreed to supply all our dealers.*

We would also ask you to advertise in your local magazines and newspapers to give your sales a boost we can supply all the leaflets for this.

The 500cc 4wd is the best seller all year round, atv sales are dying out and utvs are selling strongly the cub utv and flail mower sales are picking up also we have sold log splitters which are becoming popular all year round. The discount on the power mowers and other equipment will be sorted out over the next week but for a example the power mower 120 retails for £1150 you would get this for £1000 you could possible increase this retail price as customers would like to purchase certain items near you for servicing etc. We also have a large range of verge mowers and pto flail mowers due in 5 weeks time along with utv rear cages and other items.

Hope this all helps

Regards

Chris

MDL Powerup"

38. Emails between the parties at exhibits 17 and 18 concern the first order placed with the applicant by the proprietor. The details of the order are not clear as they were attachments to emails which are not included in the evidence. However, the email dated 13 January 2014 reads:

“Hi Ian,

We are sorting out orders for building today for us to assemble utvs and parts for your guy to pick the utvs. Can you confirm payment has been paid?

Or if its later in the week I'll work out the next date for the utv pickup.

Best regards

Chris”

39. Confirmation of payment was sent on 14 January 2014.

40. Exhibit 19 is an email from the applicant to one of its customers. It is dated 23 January 2014 and begins, “Hope you are well. We have just started off a dealer in your area (Harvey Plant and machinery [the proprietor])”.

41. Exhibit 20 is an email dated 24 January 2014. It is from the applicant to the proprietor and provides details of a customer in the proprietor’s area.

42. Exhibit 21 is an email from the applicant to the proprietor. It is dated 5 February 2014 and reads:

“Some customers around your area.

Received £4200.00 this morning.”

43. It is signed by Julie, MDL Powerup.com. Attached to the email are the details of seven customers. I have removed the customer names and addresses but show the region and previous sale details from the document:

Area:	Previous sale(s):	Date:
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Essex	Powerup 500cc	24.06.13
Cambridgeshire	Powerup 300cc	24.08.11
Essex	Powerup 300cc	21.12.10
Essex	Powerup 500cc	30.08.11
Kent	2 x Powerup 500cc	20.11.12
Northamptonshire	Powerup 500cc	3.10.12
Romford	Powerup	23.08.12

44. Exhibits 22 and 23 are strings of email correspondence which Ms Metcalfe states show that the proprietor had amended its website (by 29 January 2014) to show that it was an MDL Powerup dealer and (by 16 February 2014) had started putting up eBay listings referring to itself as an MDL Powerup dealer.

45. Conversation between the parties contained with the emails relates to the nature of the proprietor's website and the content of eBay listings. In an email dated 18 February the applicant requests that the 'logo' be incorporated on pictures of UTVs as, "this will be a necessity as a powerup utv dealer."

46. All of the remaining exhibits are in the form of email correspondence. Exhibit 24 is an email dated 23 May 2014 sent from the applicant to the proprietor. In it the applicant requires further sales to be made by the proprietor and states that a written dealership agreement will be sent for signature and return, since the existing agreement was a verbal one.

47. The proprietor emailed the applicant on 29 July 2014 (exhibit 25), following its AGM, asking for a number of points to be clarified such as, inter alia, the level of support the applicant would provide to the proprietor and when more sales leads would be forthcoming.

48. On 12 August 2014 the applicant wrote to the proprietor terminating the dealership arrangement on a number of grounds including the fact that no goods had been purchased from the applicant since the initial order (exhibit 26).

49. Exhibits 27 – 34 are email exchanges regarding outstanding warranty work.

50. Ms Metcalfe concludes that the proprietor knew that the applicant was called MDL Powerup in the course of all of the parties' business arrangements. She states that all of the applicant's email correspondence with the proprietor was signed 'MDL Powerup', 'MDL Powerup.com' and 'www.mdlpowerup.com.'

51. Exhibit 35 is an email from eBay to the applicant dated 23 June 2015. It states that a notice of infringement has been filed with eBay's VeRO program to the effect that use of the applicant's eBay shop MDL Powerup infringes Harvey Plant Ltd's intellectual property rights. The applicant is told to change the name of its eBay shop within three business days.

52. Exhibit 36 is an email from eBay to the applicant dated 17 September 2015. It states that a number of the applicant's listings have been removed following notification from Harvey Plant Limited that the listings infringed its intellectual property rights (specifically, its trade mark rights).

PASSING OFF

The law

53. 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-

(a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or

(b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.

(3)...

(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.”

54. 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 this Act as the proprietor of an “earlier right” in relation to the trade mark.”

55. 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. Townsend & 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.”

56. 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.”

57. 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.”

58. 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

59. 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.”

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

61. The filing date of the subject trade mark is 18 September 2014. However, the proprietor claims that it has used its mark since at least 2008. Given that the proprietor has not filed evidence, its claim to that date cannot be substantiated and it is the position at the date of application that I must consider.

Goodwill

62. The first hurdle for the applicant is to show that it 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.”

63. 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.”

64. 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.”

65. 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).

66. It is clear from the evidence provided by the applicant that since at least May 2010 it has been offering goods for sale under the sign MDL Powerup. Exhibit 7 shows a number of the applicant's website pages from 16 May 2010 – 26 April 2012 which are headed, 'Metcalfe Developments – The home of MDL Powerup'. A considerable number of the pages include paragraphs which begin with, 'Here at MDL Powerup Cumbria...'. A number of pages from the same exhibit show a range of products including, from 25 February 2012, an advertisement for a UTV titled, MDL Powerup 500 4x4 Road Legal!.

67. Exhibit 4 provides an example of the logo used by the applicant in October 2011 which has MDL Powerup across the centre, with the words 'All Terrain Vehicles' displayed underneath.

68. The website pages show a range of utility vehicles for sale, along with additional parts such as snow accessories and cab roof enclosures, which are sometimes included free with the sale of a vehicle and also parts which can be purchased to attach to the vehicles, such as log splitters, buckets and flail mowers. The evidence also

shows that the applicant has regularly included details of its parts and servicing facilities as well as a service hotline, alongside the vehicle details.

69. From as early as 26 February 2012 the applicant has advertised, via its website, for MDL Powerup distributors and has provided a telephone number for such enquiries.

70. I have not been provided with turnover figures for any of the applicant's goods and the evidence could be better marshalled in terms of sales volumes and turnover, however, that does not mean I should simply dismiss it. My earlier summary of the evidence shows that sales under the mark have been made by the applicant as early as August 2010 and includes sales to a number of customers whose details are provided. Sales by the applicant to the proprietor are confirmed in email exchanges and the evidence, as a whole, indicates the types of goods sold.

71. Taking all of the evidence into account, I find that the applicant's goodwill at the relevant date, although modest in terms of volumes of sales which have been shown in evidence, is sufficient to be protected under the law of passing off. The goodwill is shown in respect of Utility and All-Terrain Vehicles, parts which attach to those vehicles and the retail of the same. Whilst it is clear that the applicant offers repair and servicing to its customers, the evidence does not show a single use by a single customer of such services so I cannot conclude that there is goodwill shown in respect of repair and servicing.

72. The words are used for the most part in plain text in website headings, descriptions of the goods and email signatures. Consequently, the use shown is such that the goodwill is associated with the words, MDL Powerup, per se.

Misrepresentation

73. 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.*”

74. 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.”

75. I have found the applicant to have goodwill in respect of Utility and All-Terrain Vehicles and parts which attach to those vehicles. The applicant makes its passing off claim in respect of all of the proprietor’s goods and services - that is, motor vehicles, namely, automobiles, trucks, vans, sport-utility vehicles, motor bikes, all-terrain vehicles, utility vehicles and their structural parts and engines in class 12; retail services relating to automotive vehicles and their structural parts and engines in class 35 and automotive repair and maintenance services in class 37.

76. The applicant's utility vehicles and all-terrain vehicles are identical to those in the proprietor's specification and are also included within its broad term, 'motor vehicles'. Both parties have identical services for retail in respect of motor vehicles and parts. To the extent that an engine is a part of a motor vehicle it is similar to the applicant's retail services for parts. The proprietor's remaining services for automotive repair and servicing may have the same users as both parties' goods and are used to maintain the function of those goods. They may also have a complementary relationship in the sense that the applicant's parts may be needed to carry out the proprietor's repair and maintenance. The applicant's goods have a medium degree of similarity to the proprietor's services.

77. The applicant's goodwill is associated with the sign MDL Powerup. Although it sometimes uses other forms or combinations of signs, I consider that the manner of overall use means that the goodwill is associated with the words per se. The proprietor's series of two marks consist of the words 'mdl powerup' and 'mdl power up'. Any minor differences between the parties' respective marks are insignificant and are not likely to be noticed by the average consumer². Consequently, the parties' marks are visually, aurally and conceptually identical to the sign associated with the applicant's goodwill.

78. I come to the firm view that the use shown by the applicant is such that the words will be seen as part of its origin in a trade sense. They are distinctive of the applicant. In this case, the words relied on by the applicant and those included in the proprietor's mark are identical. I consider that a person who is aware of the applicant's MDL Powerup vehicles and parts would believe that the proprietor's goods and services being sold under the contested mark originate from the same undertaking, that of the applicant. In conclusion, a normal and fair use of the proprietor's mark at the relevant date would have constituted a misrepresentation to a substantial number of people.

Damage

79. Having found that the goodwill and misrepresentation limbs of the test for passing off have been satisfied and that the parties' respective goods are for the most part

² See the comments of the CJEU in *S.A. Société LTJ Diffusion v. Sadas Vertbaudet SA* [2003] FSR 34

identical, (the proprietor's repair and maintenance services having a medium degree of similarity to the applicant's goods and services) it follows that damage to the applicant's goodwill will arise by, e.g. a diversion of business.

80. 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.”

81. 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).”

82. I therefore find that use of the proprietor’s mark at the relevant date was liable to be restrained under the law of passing off. **The opposition under section 5(4)(a) therefore succeeds.**

The 3(6) ground

83. In case I am found to be wrong in my evaluation of the evidence of goodwill in this case, I will go on to consider the applicant’s claim under this ground.

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

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

85. In her witness statement for the applicant, Ms Metcalfe states:

28...Harvey Plant Limited refer to the MDL Powerup dealership in their initial email of 3rd January 2014 [exhibit 14] and so were clearly well aware of us as this is what initiated the original correspondence...

30. It is not plausible for either Mr Ian Higgs or Mr Michael Higgs or Harvey Plant Limited to suggest that we were not known by the name MDL Powerup as at the filing date of the Registered Trade Mark which I understand to be 18 September 2014...

37. On 13 April 2015 Christopher Metcalfe [the applicant] received a letter from Ian Higgs [the proprietor], purportedly of ‘Middlesex Drive Leisure’ stating that they owned the MDL Powerup and MDL Power up trade mark and requesting that we cease all use of the marks...I also note that other than the letter dated 13 April 2015 and a subsequent letter dated 14 April 2015, there is no other reference to Middlesex Drive Leisure and Harvey Plant Limited have never referred to themselves in that manner. I believe this is merely a concocted name to make an artificial abbreviation of MDL.

38. On 23 June 2015 we received an email from eBay in relation to their Verified Rights Owner (VeRO) program. The email states that they had received ‘a notice of infringement from Harvey Plant Ltd., a participant of [their] VeRO program’. The email stated that in Harvey Plant Limited’s notice they stated that our eBay Shop name, MDL Powerup, ‘infringes their trade mark or intellectual property right’.³ Further on 17 September 2015 we received a further email from eBay stating that listings had been removed following a request by Harvey Plant Limited.⁴

³ A copy of this email is provided at exhibit 35.

⁴ A copy of this email is provided at exhibit 36.

86. In conclusion, Ms Metcalfe states:

39. By their conduct, Harvey Plant Limited [the proprietor] has prevented us from using our shop name MDL Powerup on eBay (one of our main channels of trade) and has prevented us from selling products under the name MDL Powerup on eBay. This causes damage to our goodwill and business from lost customers who can no longer find us on eBay and lost sales from eBay as we can no longer list our products.

87. The law in relation to section 3(6) of the Act was summarised by Arnold J. in *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited*⁵ 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

⁵ [2012] EWHC 1929 (Ch)

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).”

88. In *Chocoladefabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH*, Case C-529/07, the CJEU stated that:

“46.....the fact that a third party has long used a sign for an identical or similar product capable of being confused with the mark applied for and that that sign enjoys some degree of legal protection is one of the factors relevant to the determination of whether the applicant was acting in bad faith”.

47. In such a case, the applicant’s sole aim in taking advantage of the rights conferred by a Community trade mark might be to compete unfairly with a competitor who is using the sign which, because of characteristics of its own, has by that time obtained some degree of legal protection.

48. That said, it cannot be excluded that even in such circumstances, and in particular when several producers were using, on the market, identical or similar signs for identical or similar products capable of being confused with the sign for which registration is sought, the applicant’s registration of the sign may be in pursuit of a legitimate objective.

49. That may in particular be the case...where the applicant knows, when filing the application for registration, that a third party, who is a newcomer in the market, is trying to take advantage of that sign by copying its presentation, and the applicant seeks to register the sign with a view to preventing use of that presentation.

50. Moreover...the nature of the mark applied for may also be relevant to determining whether the applicant is acting in bad faith. In a case where the sign for which registration is sought consists of the entire shape and presentation of a product, the fact that the applicant is acting in bad faith might more readily be established where the competitor’s freedom to choose the shape of a product and its presentation is restricted by technical or commercial factors, so that the trade mark proprietor is able to prevent his competitors not merely from using an identical or similar sign, but also from marketing comparable products.

51. Furthermore, in order to determine whether the applicant is acting on bad faith, consideration may be given to the extent of the reputation enjoyed by the sign at the time when the application for registration as a Community trade mark is filed.

52. The extent of that reputation might justify the applicant's interest in ensuring wider legal protection for his sign."

89. Whether a trade mark was applied for in bad faith must be assessed at a particular point in time. As stated in the *Sun Mark* case, the relevant date is the application date for the opposed mark, namely 18 September 2014.

90. The tests I must apply in making an assessment under section 3(6) are well established. I must determine what the proprietor'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 trade mark application was made in bad faith.

91. The proprietor filed an application for a series of two marks which it knew had been used by another business because the proprietor had had a dealership arrangement with that business. It did so in the full knowledge that the applicant was still trading as MDL Powerup. Furthermore, having made the application, the proprietor filed a complaint with eBay through its VeRO program resulting in the applicant being unable to advertise or sell its goods. As a distributor for the applicant, the proprietor listed MDL Powerup goods on eBay and would have been aware of the significance of eBay as a trade channel for the applicant.

92. The proprietor has acted in a way that clearly will be viewed as falling below the standards of acceptable commercial behaviour and I find that it made the application for registration in bad faith.

93. In reaching such a conclusion I have considered the only submissions I have from the proprietor, in which it states that it uses the term MDL Powerup to refer to a 'Magnetic Debris Lifter' which it includes in its vehicles and has sold since 2008.

94. If this were the case, I find it surprising that the first contact that the proprietor made to the applicant was a request to become one of its distributors, rather than raising the fact that the applicant was using a name already in use by the proprietor.

The ground under section 3(6) of the Act succeeds.

COSTS

95. The applicant has been successful and is entitled to an award of costs in its favour.

96. In its submissions dated 21 July 2016, the applicant stated:

64. However, It is submitted that as a consequence of the lamentable way in which the Registered Holder's position has been presented, the Applicant seeks and should be awarded its costs off the normal scale.

97. The applicant's request amounts to £7,007.70 plus VAT and is broken down as follows:

	FEES:	VAT:
Considering invalidity and preparing application	£2000	£400
Considering counter statement and preparing further submissions and evidence	£2750	£550
Preparing final submissions	£1000-2000	£200-400
EXPENSES		
IPO fees	£200	
Bank charges	£20	£4
Photocopying	£37.70	£7.54
TOTAL	Estimated: £6007.70 - £7007.70	Estimated: £1161.54 - £1361.54

98. The reasons advanced to support the request are that the proprietor mis-used the eBay VeRO programme and referred to itself as Middlesex Drive Leisure to make an artificial abbreviation of MDL. In addition the applicant submits that the proprietor failed to respond to pre-action correspondence, failed to respond to the applicant's evidence, failed to submit evidence of its own or advance a positive case, made false statements and failed to admit facts of which it was well aware.

99. The relevant Tribunal Practice Notice (TPN) which is applicable to these proceedings is TPN 4/2007⁶. With regard to awards of actual costs and costs above the standard scale it states the following:

“5. TPN 2/2000⁷ 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.”

100. Nor is it the case that all findings of bad faith will result in an award of costs off the normal scale, since there are clearly degrees of behaviour which constitute bad faith.

101. In this case, the proprietor filed a very short statement of case and no further evidence or submissions. Case management was not required and there was no substantive hearing. The applicant was required to file evidence, which was not insignificant in volume but was made up of prints from the internet and from email

⁶ TPN 2/2016 applies to cases commenced after 1 July 2016.

⁷ The previous practice notice relating to costs in proceedings before the Comptroller.

accounts, attached to a single witness statement. It submissions were detailed and pertinent to the matters to be decided.

102. Whilst I accept that the proprietor's case could have been better marshalled, in my view its behaviour in these proceedings falls short of unreasonable behaviour which would warrant an award above the standard scale. However, I find that an award of costs at the higher end of the standard scale is appropriate and make the award on the following basis:

Official fee:	£200
Preparing a statement and considering the other side's statement:	£500
Preparing evidence:	£1500
Preparation of submissions:	£500
Total:	£2700

103. I order Harvey Plant Limited to pay MDL Powerup the sum of £2700. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 30th day of September 2016

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