

TRADE MARKS ACT 1994

**IN THE MATTER OF TRADE MARK APPLICATIONS Nos. 3039661 & 3039690
IN THE NAME OF MR MICHAEL WRIGHT**

**AND IN THE MATTER OF OPPOSITIONS Nos. 402600 & 402606 THERETO
BY DELL ENTERPRISES INC**

**AND IN THE MATTER OF AN APPEAL TO THE APPOINTED PERSON
BY THE OPPONENT
AGAINST A DECISION OF MR OLIVER MORRIS DATED 8 APRIL 2016**

DECISION

Background

1. This is an appeal from a decision of Mr. Oliver Morris, the Hearing Officer acting for the Registrar, dated 8 April 2016, BL O/179/16, in which he dismissed 2 x oppositions based on Section 3(6) of the Trade Marks Act 1994 brought by Dell Enterprises, Inc. (“the Opponent”) against 2 x applications for series registration in the name of Mr. Michael Wright (“the Applicant”).
2. The 2 x series of trade marks in dispute were as represented below:

(1) UK Application No. 3039661



(2) UK Application No. 3039690



3. The Applicant filed both Applications on 28 January 2014 (claiming priority from Irish first filings dated 26 November 2013) requesting registration for the designations in each of the series for use in the UK as trade marks in relation to:

Class 25

T-Shirts, sweaters, caps, hats; clothing, footwear and headgear

Class 41

Entertainment services; nightclub, discotheque and cabaret services; provision of live entertainment and recorded entertainment; provision of leisure and entertainment facilities; sports, cinematic and video entertainment services; provision of music, entertainment and dancing facilities; organisation of competitions, tournaments, games and sporting events; organisation of musical entertainment, fashion shows, parties; advisory, consultancy and information services in relation to aforesaid

Class 43

Services for providing of food and drink; bar services; music bars; restaurant services; café, lounge, catering food and drink services; providing facilities for weddings, parties, dancing, banqueting services

4. Applications Nos. 3039661 and 3039690 were published in the Trade Marks Journal on 2 May 2014. The Opponent filed Forms TM7 Notices of opposition and statements of grounds against the Applications (substantially in the same terms) on 1 August 2014. For reasons that will become apparent, the Opponent filed Forms TM7G Requests to add grounds to notices of opposition on 6 May 2016.
5. The sole grounds of opposition relied on by the Opponent were under Section 3(6) of the Act that the trade marks in series (1) and (2) were applied for by the Applicant in bad faith.
6. The statements of grounds recited that the Opponent was the proprietor of *inter alia* EU Trade Marks for HOGS & HEIFERS SALOON and HOGS & HEIFERS SALOON NYC figurative. Those registrations were cancelled for non-use at the suit of the Applicant by the EUIPO on 5 September 2014, with effect from 29 November 2013 (the date of the cancellation applications).
7. The Opponent's cases under Section 3(6) were originally stated in the following terms:

“16. As will be supported by facts and matters which will be further detailed in evidence, the Applicant has:

- (i) Copied the trade mark HOGS & HEIFERS;
- (ii) Made references in promotional material to the meat packing district where the New York bar which operates under the HOGS & HEIFERS Marks is based;
- (iii) Made references in promotional material to the “Coyote Ugly” film, which drew its inspiration from the New York bar operating under the HOGS & HEIFERS Marks;

- (iv) Uses a photograph on its website of the New York bar which operates under the HOGS & HEIFERS Marks;
- (v) Copied key aspects of the trading style of the bars which operate under the HOGS & HEIFERS Marks, including the display of bras above the bar and waitresses dancing on the bar counters.

17. It is evident that such use by the Applicant is a clear attempt to trade on the repute and notoriety of the Opponent, including through its licensee, in connection with the bars operating under the HOGS & HEIFERS Marks. The activities of the Applicant set out in the points above make it clear that the Applicant must have been aware of the Opponent's rights and that use by Applicant would be liable to mislead the public as to the origin of the goods/services offered under the mark. The Applicant's behaviour falls short of what would be considered "acceptable commercial behaviour" in this particular area. This must have been clear to the Applicant.

18. The Applicant is attempting to utilise its Irish and UK trade mark applications noted above, including the application subject of this Opposition, as a basis to oppose the Opponent's legitimate rights to seek to register further marks consisting of the element HOGS & HEIFERS. The opposition No. B2345505 against the Opponent's CTM application No. 12416277 indicates an intention to disrupt the activities of the Opponent, including disrupting the merchandising and licensing activity of the Opponent."

- 8. The applicant took issue with the grounds of oppositions in Forms TM8 Notices of defence and counterstatements dated 1 October 2014. The oppositions were consolidated by the UKIPO. Both sides filed evidence and the consolidated oppositions came to a hearing before Mr. Morris on 8 February 2016, which included cross-examination of the Applicant.
- 9. At the first instance hearing the Applicant was represented by Mr. Julius Stobbs, of Stobbs IP Limited, and the Opponent by Mr. Ben Longstaff of Counsel, instructed by Kilburn & Strode LLP, both of whom continued to represent the parties on appeal. Form TM55P Notice of appeal to the Appointed Person under Section 76 of the Act was filed by the Opponent on 6 May 2016 (accompanied at Annex A by copies of the 2 x Forms TM7G Requests to add grounds to notices of opposition). The Applicant filed a Respondent's Notice on 9 June 2016.

The Hearing Officer's decision

- 10. As to the law relating to Section 3(6), the Hearing Officer instructed himself by reference to the statement of general principles set out by Arnold J. in *Red Bull GmbH v. Sun Mark Limited* [2012] EWHC 1929 (Ch) at paragraphs 130 – 138. Both parties accepted the correctness of this approach. I have included Arnold J.'s statement of general principles at Annex 1 to my decision.
- 11. The Hearing Officer's findings on the evidence were, in brief:

- (1) The Applicant, who had been cross-examined, was not a convincing witness. Little weight would be attributed to his evidence, which had been written by his assistant.
- (2) Mark Griffin for the Applicant had not attended for cross-examination. His evidence would be treated as hearsay, although weight would be given to his exhibited email exchanges with the Applicant. Mr. Griffin assisted the Applicant with the branding/design of the Applicant's Dublin bar/restaurant.
- (3) It was conceded that: (a) the Opponent's saloon bars operating under licence under the name HOGS & HEIFERS in New York (est. 1992) and Las Vegas (est. 2005) were well-known in the USA; and (b) the bars had a particular theme to them, had dancing girls on the bars, had bras hanging behind the bar and had bar tenders who were generally rude to customers.
- (4) The Hearing Officer also noted that the venues were "biker bars" where motorcycling (catered for by the provision of parking spaces for motorcycles outside) including the running of motorcycling events featured importantly. The bars were frequented by celebrities some of whom along with other customers donated bras, Sir Paul McCartney had danced on the bar in New York, cow imagery was an additional feature of the bars and the Coyote Ugly film, although based on the Coyote Ugly Saloon in New York, was "associated" with the Opponent's bars because features of the Opponent's bars had allegedly been "borrowed" by the later opening Coyote Ugly Saloon.
- (5) All this was supported by press articles, most appearing in US publications. The Opponent's Las Vegas bar had a Facebook page. Facebook statistics exhibited by the Opponent showed relatively little activity vis-à-vis the UK. The Opponent's bars were included in travel guides available in the UK and on the TripAdvisor.co.uk website (with some UK reviews).
- (6) The Applicant operated bars, clubs and restaurants in Dublin. He opened his HOGS & HEIFERS bar and restaurant in Dublin in 2013. His stated reasons for arrival at the HOGS & HEIFERS name included: (a) customer demand for American-style food; (b) a trend for restaurants based on the Meat Packing District of New York; (c) menus comprising pork and beef; and (d) inspiration from the film Coyote Ugly.
- (7) Despite his assertion of independent coining, the Applicant knew of the Opponent's business when he adopted the mark: (a) adoption of the same name and similar theming was improbably co-incidental; (b) only limited weight could be given to the Applicant's written evidence. His oral evidence was unconvincing; (c) the Applicant's failure to accept that his HOGS & HEIFERS restaurant/bar had a key motorcycle angle lacked conviction; (d) a recorded undercover conversation with

a barman working in the Applicant's establishment supported this conclusion; (e) although the Applicant lived in New York at a time before the opening of the Opponent's bars, he likely returned there.

- (8) Accordingly the Applicant's evidence that he coined the name independently would be disbelieved: the Applicant knew of the Opponent's name and theming when he adopted the mark himself.
- (9) The Opponent had failed to establish that its HOGS & HEIFERS bars, whilst notorious in the USA, were known to any material extent in the UK (or Ireland).
- (10) Consequently, it could not be inferred that the Applicant intended to benefit from any awareness of the Opponent's business in the UK or Ireland. However, his motivation could reasonably be assumed to be that since the business name and model worked for the Opponent in the USA, they would likely work for him in Ireland/the UK.
- (11) The allegation that the application was made in bad faith because it constituted "a clear attempt to trade on the repute and notoriety of the Opponent ...", therefore failed.
- (12) Further, the allegation that the Applicant's conduct amounted to the shutting out of a business with a legitimate interest in expanding abroad failed on the facts. There was no proven indication that the Opponent planned to extend into the UK, and no reason why the Applicant would or should have assumed this.
- (13) The Opponent's pleaded case did not include mere taking of the Opponent's mark and aspects of its business model used/registered abroad.
- (14) Even if it did, this would not have amounted to bad faith. First, the Opponent's name was unprotected by registered/unregistered rights in the UK. Second, the Opponent asserted no protectable rights in the theme of its US bars (on the facts, not copied wholesale):

"At worst, businessmen in the relevant field may regard what Mr. Wright has done as sharp practice, but it is no more than that".

Standard of review

12. It was accepted by the parties that the appeal was by way of review and not rehearing. I should be reluctant to interfere in the absence of a distinct and material error on the part of the Hearing Officer (*REEF Trade Mark* [2003] RPC 5, Robert Walker L.J., para. 28). In this case, I should bear in mind that the Hearing Officer heard live evidence from the Applicant and was therefore in a privileged position to assess the credibility of the witness (*McGraddie v. McGraddie* [2013] UKSC 58, Lord Reed, paras. 1 – 4).

13. The appellate function was explained by Lewison L.J. in *Fage UK Limited v. Chobani UK Limited* [2014] EWCA 5, at paragraphs 114 – 115 in the following terms:

“114. Appellate courts have been repeatedly warned, by recent cases at the highest level, not to interfere with findings of fact by trial judges, unless compelled to do so. This applies not only to findings of primary fact, but also to the evaluation of those facts and to inferences to be drawn from them. The best known of these cases are: *Biogen Inc. v Medeva plc* [1977] RPC1; *Piglowska v Piglowski* [1999] 1 WLR 1360; *Datec Electronics Holdings Ltd v United Parcels Service Ltd* [2007] UKHL 23 [2007] 1 WLR 1325; *Re B (A Child) (Care Proceedings: Threshold Criteria)* [2013] UKSC 33 [2013] 1 WLR 1911 and most recently and comprehensively *McGraddie v McGraddie* [2013] UKSC 58 [2013] 1 WLR 2477. These are all decisions either of the House of Lords or of the Supreme Court. The reasons for this approach are many. They include

- i) The expertise of a trial judge is in determining what facts are relevant to the legal issues to be decided, and what those facts are if they are disputed.
- ii) The trial is not a dress rehearsal. It is the first and last night of the show.
- iii) Duplication of the trial judge's role on appeal is a disproportionate use of the limited resources of an appellate court, and will seldom lead to a different outcome in an individual case.
- iv) In making his decisions the trial judge will have regard to the whole of the sea of evidence presented to him, whereas an appellate court will only be island hopping.
- v) The atmosphere of the courtroom cannot, in any event, be recreated by reference to documents (including transcripts of evidence).
- vi) Thus even if it were possible to duplicate the role of the trial judge, it cannot in practice be done.

115. It is also important to have in mind the role of a judgment given after trial. The primary function of a first instance judge is to find facts and identify the crucial legal points and to advance reasons for deciding them in a particular way. He should give his reasons in sufficient detail to show the parties and, if need be, the [appellate tribunal] the principles on which he has acted and the reasons that have led him to his decision. They need not be elaborate. There is no duty on a judge, in giving his reasons, to deal with every argument presented by counsel in support of his case. His function is to reach conclusions and give reasons to support his view, not to spell out every matter as if summing up to a jury. Nor need he deal at any length with matters that are not disputed. It is sufficient if what he says shows the basis on which he has acted. These are not controversial observations: see *Customs and Excise Commissioners v A* [2002] EWCA Civ 1039 [2003] Fam 55; *Bekoe v*

Preliminary issue

14. As I have indicated, contemporaneously with filing Notice of appeal to the Appointed Person, the Opponent filed with the UKIPO 2 x applications to amend its original statements of case in the oppositions.
15. The Grounds of appeal made clear (para. 8) that this was prompted by the Hearing Officer’s decision that the question of “whether the taking of a name (and parts of a business theme) which is in use in another jurisdiction and applying for that name in this jurisdiction is, in and of itself, an act of bad faith” was not a free-standing part of the Opponent’s case.
16. The Opponent contested that decision on appeal. Nevertheless, it applied to the Appointed Person to add a “clarifying amendment” to its pleaded case as shown in the attached copy Forms TM7G (para. 9).
17. The requested amendment in each case read:

“18A. Without prejudice to paragraphs 17 and 18 above, the opponent relies on the facts and matters pleaded at paragraphs 1 – 16 above as disclosing bad faith in the circumstances. The Applicant has not just knowingly and deliberately appropriated the trading name of a party operating in another jurisdiction, but has done so in all the circumstances set out in paragraph 16 above, in particular copying key aspects of the trading style of the Opponent’s bars.”
18. The second part of the requested amendment referred to the allegations of facts listed at paragraph 16 of the original statements of case, reproduced in this decision above (para.7).
19. The Opponent argued that I should allow the amendment to the statements of grounds of opposition under my powers in Rules 73(4) and 62(1)(e) of the Trade Marks Rules 2008, because there would be no prejudice to the Applicant; the point was argued before the Hearing Officer, and he had considered it.
20. Mr. Stobbs did not question my powers under the Rules. However, he said that the point was first taken by the Opponent in the skeleton argument before the Hearing Officer, and (like the Hearing Officer) his side had dealt with it as best they could in the short time available.
21. It seemed to me that the amendment effectively sought to pre-empt the outcome of the grounds of appeal. On the one view, it changed the nature of the case that was before the Hearing Officer. On the other view, it was unnecessary (because already pleaded).
22. I accept that if the former, the Applicant might have run its case differently including the evidence it adduced.

23. In deciding to refuse the Opponent's requested amendment, I was guided by the principles enunciated by the Court of Appeal in *Fage UK Limited v. Chobani UK Limited* [2014] EWCA Civ 5 that such an amendment should only be allowed in exceptional circumstances. The Opponent did not put forward any such exceptional circumstances. Nor did it explain why the new pleading was not included in the original statements of case (other than the claim that it was implicit therein anyway).

Merits of the appeal

Ground 1

Passing off requirement

24. The first ground of appeal, as I understood it, was that the Hearing Officer wrongly superimposed a Section 5(4)(a) passing off requirement for UK *goodwill* in the Opponent's business on the test for bad faith under Section 3(6).
25. The focus of that criticism was the Hearing Officer's determination, particularly from cross examination, of the Applicant's motivation in filing the applications in suit.
26. The Hearing Officer had previously identified from the evidence which facts were known to the Applicant at the time of making the applications. In short:
- (1) Whilst the Opponent's bars might have been known in the USA, they were not known to any material extent in the UK¹;
 - (2) Nevertheless, the Applicant himself did know of the Opponent's business when he adopted the HOGS & HEIFERS trade mark for himself.
27. Against that background, the Hearing Officer had to determine the intent of the Applicant. He said this:
- “53. Given what I have already said in paragraph 36 in relation to the opponent's bars not being known to any material extent in the UK or Ireland, it follows that it would be too much of an inference to find that Mr Wright was hoping to benefit directly from any awareness of the opponent's business. It is clear that Mr Wright's venue would have represented a significant investment on his part. To suggest that this was done partly to benefit from an existing awareness on the part of potential consumers is not made out. However, I think it reasonable to accept the second of Mr Longstaff's submissions, effectively that the opponent's business name and model worked from them, so it would likely work for him.”
28. I cannot discern from this (or anything else in the decision) any reason for supposing that the Hearing Officer was requiring the Opponent to have proved as part of its case on bad faith, that the Opponent enjoyed reputation and goodwill in its business in the UK sufficient to support an action of passing off.

¹ Or Ireland, where the Applicant's business was operated.

29. As mentioned, the Hearing Officer instructed himself as to the law on bad faith by reference to Arnold J.'s set of principles in *Red Bull* (see, Annex 1). Principle 8 relevantly stated (*Red Bull*, para. 138):

“... 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 at 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 ...”

30. It seems to me that in this part of the decision, the Hearing Officer was doing nothing more than assessing the intention of the Applicant in the light of the particular circumstances in that case. Those included his finding on the evidence that the Opponent’s business was not known to any material extent in the UK (or Ireland). The Applicant could not be presumed to have intended to take advantage of, or cause confusion with, something that did not exist.

31. I therefore reject this first ground of appeal.

Further points

32. The Opponent also criticised:

- (1) the Hearing Officer’s treatment of its evidence of alleged international reputation (which the Opponent submitted was made out); and
- (2) the weight accorded by the Hearing Officer to a photo of the Opponent’s New York bar which had appeared on the Applicant’s website.

33. As to (1) Mr. Longstaff directed my attention (in support of his argument that this was where the Hearing Officer had gone “slightly wrong” (transcript, p. 8)) to the Opponent’s social media evidence and entries in travel guides and on TripAdvisor. Albeit “not determinative” (transcript, p. 11), Mr. Longstaff regarded the photograph incident (2) as indicative of the Applicant’s intention to benefit from the Opponent’s reputation in the UK.

34. I have considered these further points. However, I believe that it is apparent from the decision that the Hearing Officer conducted a full and thorough examination of the Opponent’s evidence including its evidence of alleged international reputation and the appearance of the photograph of the Opponent’s New York bar on the Applicant’s website. Although the Opponent clearly disagrees with the Hearing Officer’s findings in relation to those aspects, in my judgment the Hearing Officer arrived at those findings without error.

What not appealed

35. At this point it may be convenient to mention that the Opponent did not challenge the Hearing Officer's finding in relation to the Opponent's fettering or blocking argument. This finding was that the Opponent had failed to show that it had any intention to expand its business (beyond the New York and Las Vegas bars) within the USA let alone abroad, and there was no reason for the Applicant to suppose it did (especially since in so far as the Applicant was aware, the Opponent's EU trade marks were unused); the Opponent's "fettering" ground of opposition therefore failed on the facts.

Respondent's notice

36. I can also conveniently deal here with the Applicant's Respondent's Notice, which contended that the Hearing Officer incorrectly decided that the Applicant copied the name and business model/theme of the Opponent's bars.
37. Mr. Stobbs explained that the purpose behind the Respondent's Notice was to make clear (in case the Opponent contended otherwise, which I did not understand it to do) that the Applicant could not be said to have appropriated the Opponent's business model/theme *wholesale*. Thus, the Applicant's venue was primarily a restaurant (with a bar) whereas the Opponent's business was bars. Otherwise Mr. Stobbs, realistically in my view, accepted that the Hearing Officer was entitled to conclude that the Applicant had copied the name and certain aspects of the Opponent's business. Since there was no apparent quarrel between the parties that differences existed in their respective businesses, I need say no more about the Respondent's Notice.

Ground 2

Freestanding ground

38. The second ground of appeal was against the Hearing Officer's decision that a freestanding ground of bad faith through copying the name and certain aspects of the Opponent's business abroad was not pleaded.
39. Mr. Longstaff sought to argue on appeal (as before the Hearing Officer) that this standalone ground was implicit in the original statements of grounds of opposition, and in particular from paragraph 16 thereof.
40. I disagree. In short the make-up of those statements of grounds was as follows.

Statements of grounds

41. Paragraphs 1 – 13 of the statements of grounds set out the backgrounds to the parties and the oppositions. Paragraphs 14 – 15 stated that the oppositions were grounded on Section 3(6), and referred to the principles in *Red Bull*. At paragraph 16 the Opponent listed certain facts and matters on which its subsequent allegations of bad faith were based. Paragraphs 17 and 18 then set out the allegations of bad faith which were (in summary, and necessarily limited to the UK): (1) trading on the reputation of the Opponent in order to mislead the public as to the origin of the goods/services applied for; (2) fettering the activities of the Opponent especially the Opponent's merchandising and licensing activities under the HOGS & HEIFFER marks.

42. In my judgment, the Hearing Officer rightly concluded that the so-called “standalone” ground of bad faith was not part of the opposition cases before him.

Ground 3

43. Strictly speaking, I do not therefore need to deal with the third ground of appeal, which was that the Hearing Officer wrongly dismissed the standalone ground that the Applicant had applied for the marks in dispute in bad faith because he had copied the Opponent’s name and business theme abroad.
44. That said, since the standalone ground was argued before the Hearing Officer and before me, I will make the following observations on the Opponent’s points.
45. First, the Opponent accepted that the Hearing Officer was correct in instructing himself by reference to the decisions of the Appointed Person in *DAAWAT Trade Mark* [2003] RPC 11 and *AJIT Trade Mark* [2006] RPC 25 that (due to the territorial nature of trade mark rights) the mere appropriation of a name registered/used abroad was not enough under UK law² – there must be something else. That something else in *DAAWAT* included prior dealings between the parties and knowledge on the part of the applicant that the foreign proprietor had plans to enter *inter alia* the UK market under the mark. In *AJIT*, it was the presence of albeit a small number of customers in the UK for the foreign proprietor’s newspaper, and the likelihood borne out by later evidence that the UK Punjabi community (customers for the parties’ newspapers) would be misled into believing that newspapers under the mark in suit originated from the foreign proprietor.
46. Second, Mr. Longstaff sought to distinguish *DAAWAT* and *AJIT* on the basis that the former concerned a staple product, rice and the latter, newspapers. His client’s case was much more serious because the product in question was the Opponent’s bars business. I cannot see that this makes any difference to the underlying legal principles.
47. Third, the Opponent nevertheless sought to align the facts of the present case with *AJIT* in order to make out the Opponent’s plea that the Applicant acted with:
- “... reckless disregard as to the obvious confusion, deception and detriment that would result” (BL O/030/05, para. 64, c.f. Nicholls L.J. in *Royal Brunei Airlines Sdn Bhd v. Tan* [1995] 2 AC)
48. However, the Hearing Officer’s findings in *AJIT* (which I upheld on appeal) relevantly included: (a) there were at least 13 direct UK subscribers (including one library) to the Applicant for invalidation’s *AJIT* newspaper at the relevant date. Additional individuals in the UK (probably small in number) bought the Applicant’s *AJIT* newspaper through newspaper distributors unrelated to the Applicant; (b) the Applicant’s *AJIT* newspaper was very successful/well known in the Punjab; (c) there was a substantial Punjabi Community in the UK, many of whom would be familiar with the Applicant’s *AJIT* newspaper and masthead; (d) the relevant consumer was

² As Mr. Geoffrey Hobbs QC sitting as the Appointed Person in *DAAWAT* observed, the UK chose not to implement in UK law optional Article 4(4)(g) of Council Directive 89/104/EEC (codified in Directive 2008/95/EC and recast in Directive (EU) 2015/2436, optional Art. 5(4)(c)).

Punjabi speakers/the Punjabi Community in the UK, who on encountering the mark in suit would believe the newspaper originated with the Applicant; (e) the latter was supported by the Applicant's evidence of actual confusion occurring after the relevant date. By contrast, in the present case the Hearing Officer concluded on the facts that Opponent's business was not known to any material extent in the UK (or Ireland).

49. Further, I have some sympathy with the comment of Mr. Stobbs that the Opponent was seeking here to re-run its first ground of objection already lost (i.e., that the Applicant's conduct constituted a clear attempt to trade on the reputation/notoriety of the Opponent's bars and mislead the public).
50. Fourth, Mr. Longstaff suggested that the Hearing Officer was wrong to give weight to the Opponent's lack of any rights in the UK in its business name and style. On the contrary, in Case C-529/07, *Chocoladefabriken Lindt & Sprüngli AG v. Franz Hauswirth GmbH* [2009] ECR I-4893, the CJEU confirmed that the degree of legal protection in the jurisdiction for the Opponent's sign(s) is one of the factors relevant to the determination of whether the applicant acted in bad faith.

Conclusion

51. For the reasons I have given I uphold the decision of the Hearing Officer and dismiss the appeal.
52. The Hearing Officer ordered the Opponent to pay the Applicant the sum of £1,200 towards the Applicant's costs of the opposition. I will order the Opponent to pay to the Applicant the additional sum of £750 towards the Applicant's costs of this appeal. Such sums are to be paid by the Opponent to the Applicant within 28 days of the date of this decision.

Professor Ruth Annand, 5 December 2016

Mr. Ben Longstaff of Counsel instructed by Kilburn & Strobe LLP appeared for the Opponent/Appellant

Mr. Julius Stobbs of Stobbs IP Limited appeared for the Applicant/Respondent

ANNEX 1 – RED BULL per Arnold J.

“Bad faith: general principles

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

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

132. Secondly, although the relevant date is the application date, later evidence is relevant if it casts light backwards on the position as at the application date: see *Hotel Cipriani Srl v Cipriani (Grosvenor Street) Ltd* [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).”