

O-129-17

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO 3136279
BY BRAND PROTECTION LIMITED TO REGISTER THE TRADE MARK**

Can't Stop

IN CLASSES 9, 14, 21 AND 25

AND

**THE OPPOSITION THERETO UNDER NO 406134
BY ABT MERCHANDISING LIMITED**

Background and pleadings

1. On 16 November 2015, Brand Protection Limited (“the applicant”) applied for the mark Can’t Stop for goods in classes 9, 14, 21 and 25.

2. The application was published for opposition purposes on 27 November 2015. ABT Merchandising Limited (“the opponent”) opposes the application in class 25, claiming that it offends sections 3(1)(a) and (b) and 3(6) of the Trade Marks Act 1994 (“the Act”). The class 25 goods are:

Class 25: Clothing, footwear, headgear, casual clothing, hooded sweatshirts, jeans, printed T-shirts, lined and unlined jackets, short sleeve and long sleeve shirts, baggy shorts, long sleeve embroidered T-shirts, printed and embroidered sweatshirts, trousers, fleece pullovers, socks, skirts, shorts, scarves, gloves, underwear, Baseball shirts, Casual shirts, Denim shirts, Formal shirts, Open-necked shirts, Polo shirts, Printed t-shirts, Rugby shirts, Short-sleeve shirts, Sports shirts, T-shirts, Tee-shirts, Woven shirts, Hooded sweatshirts, Sweatshirts, Bandanas (neckerchiefs), Boots for sports, Clothing for sports, Shoes for sports wear, Sports caps, Sports clothing (other than golf gloves), Sports footwear, Sports garments (other than golf gloves), Sports headgear (other than helmets), Sports hosiery, Sports jackets, Sports jerseys, Sports jumpers, Sports shoes, Sports singlets, Sports socks, Sports sweaters, Sports uniforms (other than golf gloves or helmets), Sportswear, Sportswear (other than golf gloves or helmets), Studs for sports footwear, Aprons (clothing), Sun hats, Athletics vests, Babies' vests, Fishing vests, Rash vests, Vest tops, Vests, Wristbands (clothing), Wristbands (sweatbands), Bathing jackets, Jackets (clothing), Jackets for casual wear, Jackets for men, Jackets for women, Quilted jackets, Riding jackets, Shirt jackets, Stuff jackets (clothing), Unlined jackets, Weatherproof jackets, Wind jackets, Windproof jackets, Athletics shorts, Bermuda shorts, Boxer shorts, Denim shorts, Gym shorts, Shorts, Surf shorts, Surfing shorts, Swimming shorts, Trousers shorts, Tracksuits, Babies' pants (clothing), Babygrows, Baby Bibs, Baby Clothes, Bike pants, Long pants, Over pants, Pants (clothing), Short pants, Sweat pants, Track pants, Footless socks, Slipper socks, Socks, Articles of waterproof clothing, Waterproof babies' pants, Waterproof boots, Waterproof clothing, Waterproof headgear, Waterproof suits for motorcyclists, Bibs, not of paper, Clothing for gymnastics, Gym suits, Gymnastic shoes, Gymnastic suits, Gym wear, Articles of water-resistant clothing, Water repellent gloves for use by motor cyclists, Water-resistant clothing.

3. Sections 3(1)(a) and (b) and 3(6) of the Act state:

“3.— (1) The following shall not be registered –

- (a) signs which do not satisfy the requirements of section 1(1),
- (b) trade marks which are devoid of any distinctive character,
- (c)
- (d)

Provided that, a trade mark shall not be refused registration by virtue of paragraph (b), (c) or (d) above if, before the date of application for registration, it has in fact acquired a distinctive character as a result of the use made of it.”

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

4. The claims are expressed as follows:

- 3(1)(a): “The mark applied for is a mere statement that can be used on its own or in combination with a longer sentence or statement. The mark is not capable of distinguishing goods or services of one undertaking from those of other undertakings”.
- 3(1)(b): “The mark consists exclusively of the simply [sic] words “Can’t” and “Stop”. These two words are commonly used together in the English language to make a statement that can be used on its own or in combination with a longer sentence or statement to perhaps form a slogan on merchandising. The mark is a well recognized phrase on its own or in combination with a longer sentence and is used all the time in the English language. The mark is not capable of distinguishing goods or services of one undertaking from those of other undertakings. A simple internet search for “Can’t Stop t-shirts” provides many images of the words “Can’t” and “Stop” being used together, with or without artwork in various slogans on t-shirts.”

- 3(6): “The applicant’s core business appears to be in clothing and merchandise. A search on the UK register finds 51 pages of registrations and applications predominantly covering clothing in class 25. The Opponent is aware of the Applicant using its registrations to remove competing clothing companies’ listings from online sales platforms such as eBay and Amazon, causing damage to the sales and reputation of that company. The motivation of the applicant in this case is to prevent any clothing company from being able to apply any statement or slogan (with or without artwork) which happens to include the words “Can’t Stop” (or anything similar). This is easy to do with a registration because the online sales platforms like eBay and Amazon have very straightforward mechanisms to de-list items which are alleged to infringe a trade mark registration. The Applicant is attempting, and in many cases succeeding, to obtain registrations for simple statements commonly used in combination with longer sentences to form a slogan, to unlawfully prevent competition in the clothing and general merchandise industry where use of simply [sic] slogans and statements are common.”

5. The applicant filed a counterstatement which is signed by Andrew Scott, an officer/employee of the applicant. The contents of the counterstatement are reproduced below, verbatim:

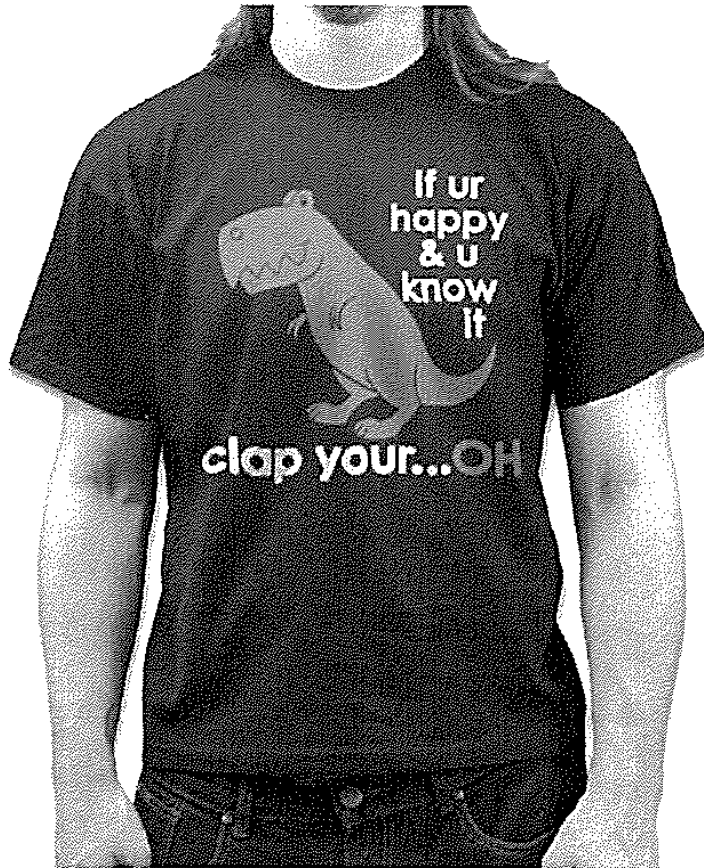
As a company we are a builder of brands - not just a designer and printer of apparel and accessories. Our practices and methods are completely distinct to any other company in the sector, as demonstrated by our 'Sex Weights & Protein Shakes' (SWPS) brand, which is registered not only in the UK but also Australia and the USA. SWPS boasts its own Facebook site and a strong following, dedicated online platform, advertising campaigns but most importantly premium-quality garments that are relabelled and professionally packaged. 'Can't Stop' is just one of our latest brands that we have registered, which we have formulated, developed and introduced over the course of 36 months. Our model for this brand as well all of our other brands will be exactly the same as SWPS. We invest large amounts of time and resources into the creation and development of our brands, created from scratch, which ultimately is reflected in their popularity. To distinguish our branded clothing garments, we have invested significantly in the equipment and expertise necessary to relabel and 'brand' these garments, with woven damask 'Can't Stop' labels sewn into the neck and/or hem/sleeve to differentiate them from anything else in the marketplace. Having looked at the opposer's available products online and printed out copies of their visible inventory, I am bemused as to why they are attempting to block our attempt to register our 'Can't Stop' brand, the ethos of which is to highlight the obsessions that people have about certain hobbies and past-times. ABT Merchandising does not sell any clothing garments featuring the words 'Can't Stop' as a whole or in any other context. It is evident that ABT Merchandising is simply opposing our marks as retribution for our company, through a third-party enforcement agency, having requested that eBay remove some of their listings that were infringing on some of our existing brands. By telephone and by email, we feel the tone of ABT Merchandising's communications with our company has been abusive and threatening. As a result of what we have learned about trademark law and IP over the years, we take the matter seriously and do not believe we are doing anything wrong by trying to protect our brands and our work.

6. Both parties filed evidence. Neither side chose to be heard or to file submissions in lieu of attendance at a hearing. I make this decision on the basis of the law and a careful reading of all the papers filed.

Evidence

7. The opponent's director, Bassam Karam, has filed a witness statement which is undated. Mr Karam states that the opponent sells clothing bearing designs through online channels, such as eBay. The opponent's designs combine current trends, which he states are commonly known in the trade as 'mash-ups'. In 2015, Mr Karam was surprised to find that a number of the opponent's items of clothing had been delisted from eBay. He discovered that the artwork had been "taken and registered" by the applicant. Copies of the clothing and the relevant registrations are exhibited at ABT1. In each case, Mr Karam has provided the date on which the opponent's design was created, the date when it was first sold on eBay, and the dates of filing and registration of the applicant's alleged copy-cat UK trade marks. In each case, the opponent's eBay listing dates precede the applicant's trade mark application filing dates. Some examples are shown below:

ABT Merchandising design:

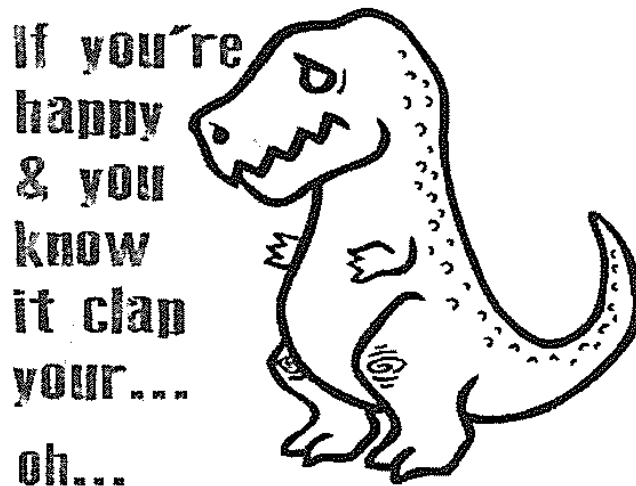


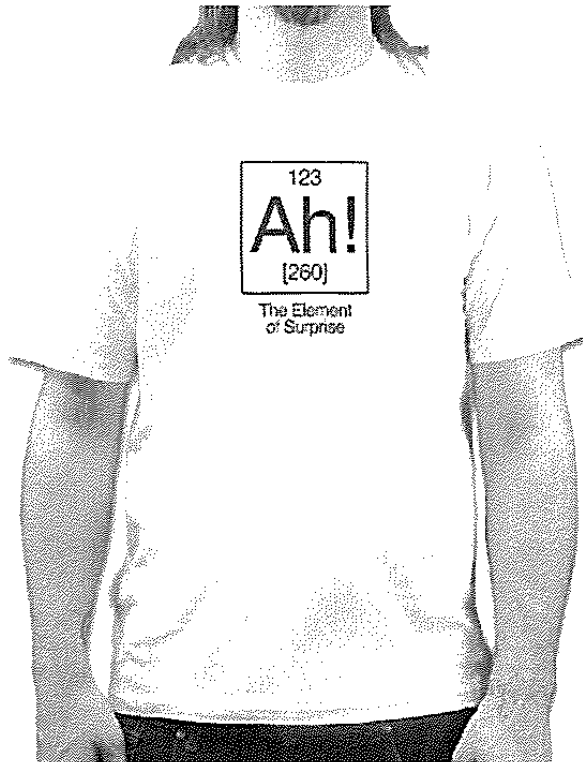
Created: March 18th 2014.

First sold on eBay : March 2014

Brand Protection registration:

UK00003068962 filed 18 August 2014, registered 21 November 2014



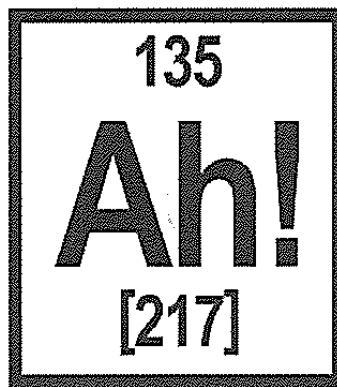


Created: 2nd October 2013

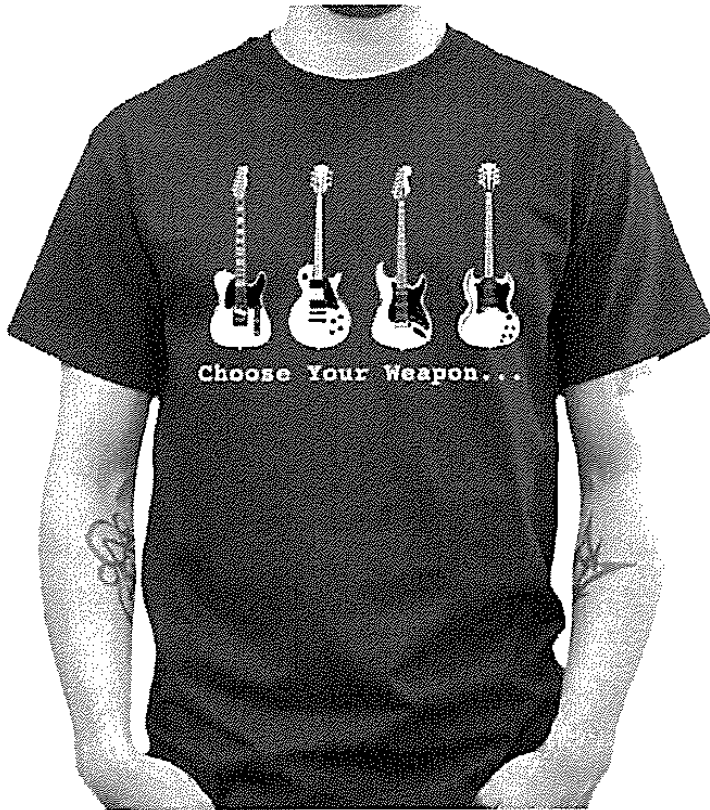
First sold on eBay : October 2013

Brand Protection registration:

UK00003069306 filed 20 August 2014, registered 21 November 2014



**The Element
of Surprise!**



Created: August 14th 2012

First sold on eBay : August 2012

Brand Protection registration:

UK00003137514 filed 6 November 2014, registered 13 March 2015



8. Mr Karam states that it was apparent to him that the applicant was deliberately taking the opponent's artwork, registering it as trade marks, and using the trade mark registrations to delist the opponent's goods in a deliberate attempt to cause damage to the opponent's business. There are no exhibits showing the contested application.

9. The opponent has also filed a witness statement from David Fry, who is a trade mark attorney and partner at Agile IP LLP, the opponent's professional representatives in these proceedings. The witness statement consists mainly of submissions, some of which expand upon the pleadings. I note that Mr Fry refers to section 3(1)(c) of the Act. This was not pleaded as a ground of opposition. I will not include the submissions in my summary of the evidence, but I bear them in mind and will refer to them as necessary.

10. The applicant has filed a witness statement, dated 21 October 2016, from Jason Robertson, who is a director of the applicant. Mr Robertson states that he established the applicant in 2015 to act as a licensing agent for numerous t-shirt designs and brands created over the years by his various other companies. He states that the applicant is also a developer of clothing brands focusing on specific interests, which the applicant licenses to third parties. The goods are sold via online sales channels as well as through 'dedicated brand platforms'. Much of the evidence is not relevant to these proceedings. Mr Robertson states that:

- Some of the applicant's graphic designs are grouped into themes, such as fishing, scuba diving and sailing, including 'SWPS' (which stands for Sex, Weights & Protein Shakes).
- It is the opponent which is copying the applicant's work. An example from eBay is shown as Exhibits BP003 and BP004, but the text in the prints is too small for me to read.

11. Mr Robertson replies to the allegations of copying of the various t-shirt designs exhibited to Mr Karam's evidence. For reasons which will become clear, I do not propose to detail the rebuttal of Mr Karam's evidence, but simply note that Mr

Robertson denies copying and has provided evidence intended to show that some of the applicant's designs pre-date the opponent's designs.

12. Mr Robertson states:

"22. With reference to my application to register 'Can't Stop', when we first conceived this brand there were no existing designs in the marketplace. As a brand, it hones in on the obsessions that people have for certain hobbies and past-times and as you can see from the designs we have created and sold, as well as the woven damask neck labels that we have had produced, the stylisation and use of typography on the clothing is achieved in a distinctive way, with a graphical representation of the hobby/interest alongside the text which is consistent throughout all designs: 'Can't Stop Fishing' features a fish; 'Can't Stop Cycling' features a bicycle wheel, and so on. There is now exhibited as Exhibit BP015 examples of designs within the Can't Stop brand":



Decision

Section 3(1)(a) of the Act

13. Section 1(1) of the Act states:

“1.—(1) In this Act a “trade mark” means any sign capable of being represented graphically which is capable of distinguishing goods or services of one undertaking from those of other undertakings.

A trade mark may, in particular, consist of words (including personal names), designs, letters, numerals or the shape of goods or their packaging.”

14. Strictly speaking, there is no need for me to decide whether this ground succeeds or fails. As Mr Geoffrey Hobbs Q.C., as The Appointed Person pointed out in *AD2000 Trade Mark*¹, s.3(1)(a) permits registration provided that the mark is ‘capable’ to the limited extent of “*not being incapable*” of distinguishing. Consequently, if I am satisfied that the mark complies with s.3(1)(b) of the Act, the ‘incapable of distinguishing’ objection under section 3(1)(a) is bound to fail. Alternatively, if the ground under section 3(1)(b) succeeds, the outcome under section 3(1)(a) becomes moot. However, for the sake of completeness, I set out here, briefly, why the ground fails, regardless of the ground under section 3(1)(b) of the Act.

15. In *Stichting BDO and others v BDO Unibank, Inc and others* [2013] EWHC 418(Ch), Arnold J said:

“44. ... As I discussed in *JW Spear & Sons Ltd v Zynga Inc* [2012] EWHC 3345 (Ch) at [10]–[27], the case law of the Court of Justice of the European Union establishes that, in order to comply with art.4 , the subject matter of an application or registration must satisfy three conditions. First, it must be a sign. Secondly, that sign must be capable of being represented graphically.

¹ [1997] RPC 168.

Thirdly, the sign must be capable of distinguishing the goods or services of one undertaking from those of other undertakings.

45. The CJEU explained the third condition in Case C-363/99 *Koninklijke KPN Nederland NV v Benelux-Merkenbureau* [2004] ECR I-1619 as follows:

"80. As a preliminary point, it is appropriate to observe, first, that the purpose of Article 2 of the Directive is to define the types of signs of which a trade mark may consist (Case C-273/00 *Sieckmann* [2002] ECR I-11737, paragraph 43), irrespective of the goods or services for which protection might be sought (see to that effect *Sieckmann*, paragraphs 43 to 55, *Libertel*, paragraphs 22 to 42, and Case C-283/01 *Shield Mark* [2003] ECR I-0000, paragraphs 34 to 41). It provides that a trade mark may consist inter alia of 'words' and 'letters', provided that they are capable of distinguishing the goods or services of one undertaking from those of other undertakings.

81. In view of that provision, there is no reason to find that a word like 'Postkantoor' is not, in respect of certain goods or services, capable of fulfilling the essential function of a trade mark, which is to guarantee the identity of the origin of the marked goods or services to the consumer or end user by enabling him, without any possibility of confusion, to distinguish the goods or services from others which have another origin (see, in particular, Case C-39/97 *Canon* [1998] ECR I-5507, paragraph 28, *Merz & Krell*, paragraph 22, and *Libertel*, paragraph 62). Accordingly, an interpretation of Article 2 of the Directive appears not to be useful for the purposes of deciding the present case."

46. The Court went on to say that the question whether POSTKANTOOR (Dutch for POST OFFICE) was precluded from registration in respect of particular goods and services (i.e. those provided by a post office) because it was devoid of distinctive character and/or descriptive in relation to those

particular goods and services fell to be assessed under Article 3(1)(b) and (c) of the Directive (Article 7(1)(b) and (c) of the Regulation).

47. It follows that "the goods or services" referred to in Article 4 are not the particular goods or services listed in the specification, as counsel for the defendants argued. Rather, the question under Article 4 is whether the sign is capable of distinguishing any goods or services."

16. Article 4 of Regulation 207/2009 of 26 February 2009 on the Community trade mark (codified version) is the equivalent to section 1(1) of the Act, set out above. The mark is not incapable of distinguishing any goods. It follows from this authority that the ground of opposition under section 3(1)(a) must fail.

17. The ground under section 3(1)(a) fails.

Section 3(1)(b) of the Act

18. Section 3(1)(b) states:

"3.— (1) The following shall not be registered –

(a)

(b) trade marks which are devoid of any distinctive character,

(c)

(d)

Provided that, a trade mark shall not be refused registration by virtue of paragraph (b), (c) or (d) above if, before the date of application for registration, it has in fact acquired a distinctive character as a result of the use made of it."

19. The principles to be applied under article 7(1)(b) of the CTM Regulation (which is now article 7(1)(b) of the EUTM Regulation, and is identical to article 3(1)(b) of the Trade Marks Directive and s.3(1)(b) of the Act) were conveniently summarised by the Court of Justice of the European Union (“CJEU”) in *OHIM v BORCO-Marken-Import Matthiesen GmbH & Co KG* (C-265/09 P), as follows:

“29..... the fact that a sign is, in general, capable of constituting a trade mark does not mean that the sign necessarily has distinctive character for the purposes of Article 7(1)(b) of the regulation in relation to a specific product or service (Joined Cases C-456/01 P and C-457/01 P *Henkel v OHIM* [2004] ECR I-5089, paragraph 32).

30. Under that provision, marks which are devoid of any distinctive character are not to be registered.

31. According to settled case-law, for a trade mark to possess distinctive character for the purposes of that provision, it must serve to identify the product in respect of which registration is applied for as originating from a particular undertaking, and thus to distinguish that product from those of other undertakings (*Henkel v OHIM*, paragraph 34; Case C-304/06 P *Eurohypo v OHIM* [2008] ECR I-3297, paragraph 66; and Case C-398/08 P *Audi v OHIM* [2010] ECR I-0000, paragraph 33).

32. It is settled case-law that that distinctive character must be assessed, first, by reference to the goods or services in respect of which registration has been applied for and, second, by reference to the perception of them by the relevant public (*Storck v OHIM*, paragraph 25; *Henkel v OHIM*, paragraph 35; and *Eurohypo v OHIM*, paragraph 67).”

20. There are no exhibits to support the pleading. Mr Fry submits that the mark is a simple promotional statement referring to a term used extensively in common language and in general merchandise, often in conjunction with a verb. He submits that the opposed goods are the sort of media used by an undertaking to promote its business and that the trade mark will be taken as merely descriptive of such goods

(this is more the language of section 3(1)(c), which is not pleaded). Mr Fry goes on to make submissions about slogans and section 3(1)(b) of the Act. It appears that this is the crux of the objection: that the average consumer, seeing the mark on the goods (my emphasis), would understand the slogan as conveying a purely promotional message relating to a general slogan or phrase referring to a particular hobby or habit that one “can’t stop” doing, and would not see it as having any other significance.

21. Mr Robertson states that the applicant has produced and sold its designs and has had neck and sleeve labels prepared. This implies that the mark has not, as yet, been used in relation to the goods as labels; if it has, there is no evidence of such use. There is, therefore, no question as to whether use on neck labels will have educated the relevant public that the mark is a trade mark. I have only the prima facie case to consider.

22. I must consider the various ways that a trade mark may be used in relation to the goods (which includes on the goods, but is not limited to such use). This is the principle of notional and fair use of the mark. Notional and fair use would include use on the garment, such as across the front, or on the back. Whilst I must not confine my analysis to this ‘worst case scenario’², this is, in fact, the type of use which Mr Robertson exhibits, showing the mark as part of a longer set of words across the front of t-shirts:

² “The possibility that a trade mark may be used in a non-trade mark manner does not *per se* detract from its distinctive character”; Professor Ruth Annand, sitting as the Appointed Person in *THERE AIN’T NO F IN JUSTICE* BL O/094/08.



23. It isn't just a possibility that the mark may be used this way: the applicant's evidence shows that it is used this way. Use in the manner shown would not be use in a trade mark sense. The average consumer (for these goods, the general public) would perceive Can't Stop Cycling/Fishing/Skiing (for example) as a personal statement to which the wearer adheres, not as an indication of trade origin of the goods.

24. *Halfords Limited v The Consortium of Bicycle Retailers Limited*, concerned the opposition to an application to register the trade mark "Cycling IS..." (as a series of two marks), in classes 25 ("clothing, footwear and headgear") and 35 ("advertising, all relating to the cycling industry"). The applicant had itself acknowledged the potential for its mark to be used as part of a longer phrase (e.g. 'cycling is fun'). The

Hearing Officer, at first instance, decided that the mark was devoid of any distinctive character, observing that the mark, whilst not conveying a complete idea, invited the reader to look for missing words or to seek further explanation because of the quotation marks and full stops (“...”).

25. On appeal³, Mr Geoffrey Hobbs Q.C., sitting as the Appointed Person, upheld the Hearing Officer’s decision, stating:

“62. The signs in issue look and sound like the opening words of an emphatic statement relating to cycling. The ellipsis visibly (and when represented audibly by a pause) invites people to add meaning to the words.

...

64. The word “cycling” is apt to describe a class or category of “clothing, footwear and headgear” no less than it is apt to describe “advertising all relating to the cycling industry”. The expression “cycling is” cannot be described as a syntactically unusual juxtaposition of words in the nature of a lexical invention. The combination of words does not lack descriptive power, but the description is unfinished. And then there are the presentational elements of the signs to be taken into account.

...

73. Doing the best I can on the materials before me, I think that the signs in question would be perceived by the relevant class of persons as pronouncements identifying cycling as the *raison d’être* for the marketing of the goods and services to which they related. That is a message that the members of a consortium of bicycle retailers might naturally be interested in putting across to customers and potential customers. I do not think that the nature of the pronouncement or its presentation can in either case be regarded as sufficiently striking to function as an indication of trade origin in

³ BL O/561/01

relation to goods or services of the kind specified in the application for registration that is now before me.

74. It seems to me that the perceptions and recollections the signs would trigger in the mind of the average consumer of the specified goods and services would be origin neutral (relating to the general commercial context of the relevant trading activities) rather than origin specific. I am not satisfied that confusion of the kind contemplated by the ruling in the Canon case could rightly be presumed in the event of double identity (see paragraphs 51 to 53 above).”

26. I recognise that ‘Cycling IS...’ contains an obvious invitation to add words on account of the ellipsis (...) which are absent from Can’t Stop. However, there are some parallels, not least that Can’t Stop also has a lexical construction which invites more; it looks unfinished. The mark looks like the opening words of an emphatic statement or pronouncement, inviting the average consumer to add meaning to the words (Can’t stop what?); just as, in fact, the applicant has confirmed and shown in its evidence.

27. Weighing all the above, I come to the conclusion that the mark, whilst not conveying a complete idea, invites the average consumer to look for missing words or to seek further explanation rather than identifying immediately the goods as originating from a particular undertaking, which is the essential function of a trade mark; see, for example, *Feedback Matters*⁴:

“Where an applicant does not rely on the proviso to section 3(1) concerning acquired distinctiveness, section 3(1)(b) precludes registration of marks that are not inherently distinctive. In other words, to get past the test, the mark must be capable of immediately enabling relevant consumers to distinguish the goods or services bearing the mark from the goods or services of competing undertakings: *Case C-136/02 Mag Instrument* at [50]. This is not about whether the relevant consumers have ever (or never) seen the mark

⁴ BL O/185/12, Ms Anna Carboni, sitting as the Appointed Person.

before, or whether they will recognise the mark again, but is about whether they will see the mark as denoting the origin of the goods or services without the need to be educated. (See, for example, *Yakult Honsha KK's Trade Mark Application* [2001] RPC 39, p.756 at pp.758-759.)”

28. The mark is devoid of any distinctive character for goods which are apt to carry phrases, statements or slogans, but is not objectionable in relation to *sports hosiery, studs for sports footwear*.

29. The ground under section 3(1)(b) fails in relation to *sports hosiery, studs for sports footwear* and succeeds in relation to the following goods:

Clothing, footwear, headgear, casual clothing, hooded sweatshirts, jeans, printed T-shirts, lined and unlined jackets, short sleeve and long sleeve shirts, baggy shorts, long sleeve embroidered T-shirts, printed and embroidered sweatshirts, trousers, fleece pullovers, socks, skirts, shorts, scarves, gloves, underwear, Baseball shirts, Casual shirts, Denim shirts, Formal shirts, Open-necked shirts, Polo shirts, Printed t-shirts, Rugby shirts, Short-sleeve shirts, Sports shirts, T-shirts, Tee-shirts, Woven shirts, Hooded sweatshirts, Sweatshirts, Bandanas (neckerchiefs), Boots for sports, Clothing for sports, Shoes for sports wear, Sports caps, Sports clothing (other than golf gloves), Sports footwear, Sports garments (other than golf gloves), Sports headgear (other than helmets), Sports jackets, Sports jerseys, Sports jumpers, Sports shoes, Sports singlets, Sports socks, Sports sweaters, Sports uniforms (other than golf gloves or helmets), Sportswear, Sportswear (other than golf gloves or helmets), Aprons (clothing), Sun hats, Athletics vests, Babies' vests, Rash vests, Vest tops, Vests, Wristbands (clothing), Wristbands (sweatbands), Bathing jackets, Jackets (clothing), Jackets for casual wear, Jackets for men, Jackets for women, Quilted jackets, Riding jackets, Shirt jackets, Stuff jackets (clothing), Unlined jackets, Weatherproof jackets, Wind jackets, Windproof jackets, Athletics shorts, Bermuda shorts, Boxer shorts, Denim shorts, Gym shorts, Shorts, Surf shorts, Surfing shorts, Swimming shorts, Trousers shorts, Tracksuits, Babies' pants (clothing), Babygrows, Baby Bibs, Baby Clothes, Bike pants, Long pants, Over pants, Pants (clothing), Short pants, Sweat pants, Track pants, Footless socks, Slipper socks, Socks, Articles of waterproof clothing, Waterproof babies' pants, Fishing vests, Waterproof

boots, Waterproof clothing, Waterproof headgear, Waterproof suits for motorcyclists, Bibs, not of paper, Clothing for gymnastics, Gym suits, Gymnastic shoes, Gymnastic suits, Gym wear, Articles of water-resistant clothing, Water repellent gloves for use by motor cyclists, Water-resistant clothing.

Section 3(6): bad faith

30. Section 3(6) of the Act states that:

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

31. In *Red Bull GmbH v Sun Mark Ltd & Anr* [2012] EWHC 1929 and [2012] EWHC 2046 (Ch) (“Sun Mark”) Arnold J summarised the general principles underpinning section 3(6) as follows:

“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* [2009] 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).”

32. As stated in the *Sun Mark* case, the relevant date is the date on which the application was made to register the trade mark, which in this case is 16 November 2015.

33. The opponent’s claim under section 3(6) appears to be that the applicant obtains registrations to remove competing clothing companies’ listings from online sales platforms. Mr Karam’s evidence focuses on the alleged copying of the opponent’s t-shirt artwork, although there is no evidence that the opponent, itself, uses the words which comprise the mark. This evidence does not appear to be relevant to the pleadings in the present case. Rather, the complaint is that the opponent is concerned that the applicant will have a statutory monopoly in a simple statement commonly used in combination with other words to form a slogan, and therefore use its registration to remove from online listings third-party goods which carry the same or similar words.

34. This is not a fertile basis for a section 3(6) claim. Otherwise, section 3(6) would be a valid objection against every trade mark application which falls foul of section 3(1)(b) of the Act on the grounds that an applicant seeks a monopoly in a non-distinctive mark.

35. The ground under section 3(6) fails.

Outcome

36. The opposition partially succeeds under section 3(1)(b) of the Act. The mark is refused for the following class 25 goods:

Clothing, footwear, headgear, casual clothing, hooded sweatshirts, jeans, printed T-shirts, lined and unlined jackets, short sleeve and long sleeve shirts, baggy shorts, long sleeve embroidered T-shirts, printed and embroidered sweatshirts, trousers,

fleece pullovers, socks, skirts, shorts, scarves, gloves, underwear, Baseball shirts, Casual shirts, Denim shirts, Formal shirts, Open-necked shirts, Polo shirts, Printed t-shirts, Rugby shirts, Short-sleeve shirts, Sports shirts, T-shirts, Tee-shirts, Woven shirts, Hooded sweatshirts, Sweatshirts, Bandanas (neckerchiefs), Boots for sports, Clothing for sports, Shoes for sports wear, Sports caps, Sports clothing (other than golf gloves), Sports footwear, Sports garments (other than golf gloves), Sports headgear (other than helmets), Sports jackets, Sports jerseys, Sports jumpers, Sports shoes, Sports singlets, Sports socks, Sports sweaters, Sports uniforms (other than golf gloves or helmets), Sportswear, Sportswear (other than golf gloves or helmets), Aprons (clothing), Sun hats, Athletics vests, Babies' vests, Rash vests, Vest tops, Vests, Wristbands (clothing), Wristbands (sweatbands), Bathing jackets, Jackets (clothing), Jackets for casual wear, Jackets for men, Jackets for women, Quilted jackets, Riding jackets, Shirt jackets, Stuff jackets (clothing), Unlined jackets, Weatherproof jackets, Wind jackets, Windproof jackets, Athletics shorts, Bermuda shorts, Boxer shorts, Denim shorts, Gym shorts, Shorts, Surf shorts, Surfing shorts, Swimming shorts, Trousers shorts, Tracksuits, Babies' pants (clothing), Babygrows, Baby Bibs, Baby Clothes, Bike pants, Long pants, Over pants, Pants (clothing), Short pants, Sweat pants, Track pants, Footless socks, Slipper socks, Socks, Articles of waterproof clothing, Waterproof babies' pants, Fishing vests, Waterproof boots, Waterproof clothing, Waterproof headgear, Waterproof suits for motorcyclists, Bibs, not of paper, Clothing for gymnastics, Gym suits, Gymnastic shoes, Gymnastic suits, Gym wear, Articles of water-resistant clothing, Water repellent gloves for use by motor cyclists, Water-resistant clothing.

The mark may proceed to registration for the goods in classes 9, 14 and 21, which were not opposed, and for the following goods in class 25:

Sports hosiery, studs for sports footwear.

Costs

37. The applicant has succeeded in defending only a tiny proportion of the opposed goods. The opponent is entitled to a contribution towards its costs, based upon the scale of costs published in Tribunal Practice Notice 4/2007. I have not made any

award for the opponent's evidence and Mr Fry's submissions (filed as evidence) because it did not assist any of its grounds of opposition. The breakdown is as follows:

Official fee	£200
Filing the opposition and considering the counterstatement	£300
Considering the applicant's evidence	£200
Total	£700

38. I order Brand Protection Limited to pay ABT Merchandising Limited the sum of £700 which, in the absence of an appeal, should be paid within fourteen days of the expiry of the appeal period.

Dated this 21ST day of March 2017

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