

O-240-17

TRADE MARKS ACT 1994

**IN THE MATTER OF REGISTRATION NO. 3137729 IN RESPECT OF THE
FOLLOWING TRADE MARK IN CLASS 25:**

ELECTRIC BALLROOM

IN THE NAME OF MR ARA ASHDJIAN

AND

**AN APPLICATION FOR INVALIDATION (NO. 501168) BY
CASTLE ROCK PROPERTIES LIMITED**

Background and pleadings

1. This dispute concerns whether the trade mark **ELECTRIC BALLROOM** is validly registered. The mark was filed on 25 November 2015 by Mr Ara Ashdjian and was registered on 4 March 2016. The mark stands registered in respect of the following class 25 goods: clothing, footwear, headgear.

2. Castle Rock Properties Limited (“the applicant”) is the applicant for invalidation. It relies on section 5(4)(a) of the Trade Marks Act 1994 (“the Act”) as the basis for its claim. In summary, the applicant claims to have operated a music venue/nightclub since 1978 under the name The Electric Ballroom. It also claims to have traded in CDs, clothing, books, photographs and tickets and also provided charitable services and services providing food and drink. In relation to clothing, reference is made to the operation of a market selling clothes during the day when the music venue is not operating. The applicant claims that a misrepresentation will occur which will damage its goodwill and, thus, the use by Mr Ashdjian of his mark is liable to be prevented under the law of passing-off.

3. Two further things I note from the applicant’s pleaded case are that:

- There was originally a claim under section 3(6) of the Act (bad faith) but this was subsequently withdrawn by the applicant.
- Mr Ashdjian previously filed for the mark **ELECTRIC BALLROOM** on 13 February 2015 under no. 3094366. However, the applicant opposed this application and it was deemed withdrawn due to the failure to file a counterstatement. The subject registration only came to the attention of the applicant once it had been registered.

4. Mr Ashdjian filed a counterstatement denying the claims. I note the following points from the counterstatement:

- It is admitted that there is a music venue in Camden called The Electric Ballroom, but the applicant is put to proof as to the existence of any common law rights, both in relation to the music related services and also in relation to the other goods and services for which the applicant has claimed use. The applicant is also put to proof in relation to the claim that the venue is used as a market in the daytime.
- Mr Ashdjian was not aware of any common-law rights in the name. The name was coined because the garments to be sold are mainly for use in ballroom dancing and the word ELECTRIC invokes a feeling normally associated with dancing.
- That the word BALLROOM is descriptive when used by the applicant. It is added that if any goodwill does exist in relation to a music venue, this in no way conflicts with the production of garments. In particular, it is stated that the venue appears to be a performance venue for rock bands which is entirely different to the discrete genre or audience for ballroom dancing.

5. Both sides filed evidence. A hearing took place before me on 26 April 2017 at which Mr Ashdjian was represented by Mr Roland Buehrlen of Beck Greener. The applicant was represented by Ms Alaina Newnes, of counsel, instructed by Hughman Solicitors.

Case management conferences

6. Two case-management conferences (“CMCs”) took place during the course of the proceedings. The first was to deal with an extension of time (“EOT”) request from the proprietor for the purposes of filing evidence. The second was to deal with a request from the proprietor to cross-examine the applicant’s witness (Ms Fuller) and to file a piece of further evidence (from Mr Buehrlen) in response to something contained in Ms Fuller’s evidence.

7. In relation to the EOT, the reasons put forward were poor with nothing compelling in play beyond an indication that some progress had been made via enquiries to third parties. I did, however, allow an EOT up until the date of the CMC in order to admit

into the proceedings the evidence that had been compiled thus far. It would have been disproportionate not to admit the evidence that was now to hand. In relation to further evidence, I was satisfied that it was in response to something in Ms Fuller's evidence which had not been evidenced in her first round of evidence and, therefore, it was equitable to allow the further evidence. In addition, the nature of the further evidence was not something which struck me as requiring factual reply evidence from the applicant and, therefore, admittance of the evidence would not lengthen the proceedings. In terms of cross-examination, the request was put (in a letter dated 11 January 2017) in the following terms:

"The [proprietor] wishes to examine Ms Fuller because the witness purports to claim common law rights in the mark ELECTRIC BALLROOM in respect to garments by reference to use of the trade mark on exhibits in a fashion not typical of the garment trade"

8. The cross-examination is said to be useful because:

"The hearing officer will need to establish the extent to which use of the mark in this manner is intended to indicate the origin of the goods and the extent to which it may so be perceived by the consumers in question"

9. I refused the request for cross-examination. Whether the use put forward in the exhibits is likely to be perceived as an indication of trade origin is, ultimately, a question for me, albeit based on the evidence that has been filed. I could not see that cross-examining Ms Fowler as to intention would materially assist me on this point. Thus, it was not proportionate to direct that Ms Fowler attends for cross-examination. I should add that a further reason in support of the request was that a pleading had been made under section 3(6). However, by the time the matter was discussed at the CMC, this pleading had been dropped.

The evidence

The applicant's evidence

10. This comes from Ms Kate Fuller, a director of the applicant. I note the following points from her evidence:

The music venue

- The applicant runs The Electric Ballroom “night club and live music venue”. The venue has a capacity of 1,100, with 18k people coming into the venue every month, 500k every year. Each person gaining entry will have had to obtain a ticket from either the applicant or a ticket agency, prices range between £5 and £35.
- Exhibit 1 contains a print from the applicant's website (www.electricballroom.co.uk) detailing the history of the venue. Although a venue first opened in the 1930s at the site, this was under a different name. It was not until 1978 that it re-opened under the name The Electric Ballroom. A number of high profile artists have played there over the years. For example, Ms Fuller states that U2 were regular performers.
- Exhibit 2 contains an obituary from The Telegraph about Mr Bill Fuller (Ms Fuller's father) the founder of The Electric Ballroom. It begins with the words “Over the last 73 years, the Electric Ballroom has come to epitomise all that is Camden Town.” Again, some high profile artists are referred to in this exhibit.
- Ms Fuller states that many people in the UK who have never been to a gig at The Electric Ballroom would be aware of it because it is regarded as a famous music venue and has received an enormous amount of press coverage.
- Exhibit 3 contains a number of press articles from 2003 and 2004 about a campaign to prevent The Electric Ballroom from closing. London Underground

planned to demolish it. A number of high profile artists (such as Bob Geldolf) supported the campaign, a campaign which was successful. Mr Geldolf is quoted as referring to the venue as “internationally renowned and culturally significant”. Other articles refer to the venue as “a monument to rock’n’roll” and a “rock’n’roll landmark”.

- Exhibit 4 contains press articles (including national press) about gigs played at The Electric Ballroom. This includes a high profile gig played by Prince in 2014. Articles about other artists (including Muse) are also provided from 2014 and 2015.
- The name ELECTRIC BALLROOM is displayed outside the venue (see exhibit 5). The displayed signage has been used, states Ms Fuller, since well before November 2015. It is also displayed on the website in plain and logo form (exhibit 6 is a screenshot taken in August 2016). The website has used the name since the 1990s and, whilst updated over the years, it has always looked similar. It is stated that 1000s of people visit the website each month.
- The name is also used on paper copies of tickets.
- The applicant spends around £36k per year on advertising. Advertising takes place in publications such as Metal Hammer, Kerrang, NME, Q, Mojo, Live UK, Audience Magazine, The John Henry’s Production Bible and around 150 online music websites. No examples of advertising are provided. Exhibit 7 contains an article from the Guardian from February 2015 which lists the circulation figures for some of these publications. The largest circulation is Mojo with a circulation of 70k.
- Electric Ballroom is also used on the applicant’s Facebook and Twitter accounts. The accounts have been held since 2007. The Facebook page has 250k likes and 91k users have been to the venue as shown, Ms Fuller states, by “checking in”.

Use on clothing

- Ms Fuller states that staff wear Electric Ballroom t-shirts/hoodies and have done so since the 1980s. The present design, which has been used since 2002, is said to be shown in Exhibit 9.
- It is stated that it is common for bands who play at the venue to sell merchandise. A stall is setup inside the venue manned by staff of the Electric Ballroom and the band.
- The applicant also gives permission to bands who play at the venue to use the name on their t-shirts. This is then sold at the merchandise stall and sometimes afterwards via the band, such as through their website. This is said to be a good way of promoting the venue. Ms Fuller states that this is something which is common amongst well-known music venues. Examples of such agreements include those with the bands: Parliament Funkadelic, Obituary, The Libertines and Muse. Exhibit 10 contains copies of the t-shirts with Ms Fuller highlighting that they show the date the band played there (which would have been the date the t-shirts were on sale at the venue, and maybe also after). The images are as follows:
 - A t-shirt for Muse who played there on 11 September 2015. There is a strong graphic element to the t-shirt. The words ELECTRIC BALLROOM are present, but are relatively small.
 - A t-shirt for The Libertines for a tour in September 2015 of five dates, including 10 September at London Electric Ballroom.
 - A t-shirt without a band name which contains a strong graphic element underneath which are the words Electric Ballroom, London, December 18th 2015.
 - A t-shirt for a tour by George Clinton and Parliament Funkadelic with various dates from July/August 2015. The tour stopped at Electric Ballroom, London, United Kingdom on 7 August that year.

- Another t-shirt, but the band and date cannot be made out.
- In a second witness statement Ms Fuller states that the applicant has used their “brand” on a number of items including sweatshirts, t-shirts, mugs, flyers and posters. She states that the items were ordered from a company called Hertfordshire Display and some would have been worn by staff whilst others would have been sold to the general public. The supporting evidence of this is contained in Exhibit KF1:
 - Page 1 contains a photograph of a hoodie, a mug and some promotional materials such as flyers which have the name ELECTRIC BALLROOM upon them.
 - The rest of the exhibit contains a number of invoices. They are mainly for items such as posters and flyers. One invoice, at page 19, which is dated 10 February 2015, is for 60 t-shirts (of different sizes) and 10 hoodies.

The market

- Ms Fuller states that up until August 2014 the applicant hosted an indoor clothes market on the weekends and it still holds a film fair market. She later clarifies that this took place from the 90s until August 2014; the film and CD market on Saturdays, the clothes market on Sundays.
- It is stated that the market was advertised by reference to the name ELECTRIC BALLROOM.
- Exhibit 11 shows:
 - A Facebook page for “Electric Ballroom Market Camden”. This contains a photograph of the indoor market (clothing can be seen on sale). The last entry, dated 10 July 2014, states that the market will be closing its doors on 4 August.

- An extract from camdenguide.co.uk which begins by explaining that ELECTRIC BALLROOM is a music venue, but one which transforms into a market on the weekend, with information then provided about the film/CD market on Saturdays and the clothes market on Sundays.
- Ms Fuller states that the market was popular and well-known when it existed.
- Exhibit 13 contains various posters for bands that would have been on display at the venue when the market was in operation.

The application for registration

- Ms Fuller recounts the history of the filing of the application for registration, and the previous application. I have already summarised this history so I need say no more about this.

Mr Ashdjian's evidence

11. This comes from Mr Roland Buehrlen, Mr Ashdjian's representative. He provides two witness statements. The first is to introduce into the proceedings a letter (addressed to Mr Buehrlen) from a Mr Steven Oratis. Put simply, Mr Oratis is someone who has been involved in the fashion industry for many years and his evidence (it is akin to hearsay evidence because it has not been filed in evidential form from him) is that he has not heard of Electric Ballroom as a clothing brand. He adds that even if it had made even a slight impact on the market, he would be surprised if he did not have a passing awareness of the brand. Ms Fuller comments on this evidence by saying that she has not heard of Mr Oratis and, from a Google search she conducted, he does not appear to be well-known in the industry. I will deal with this evidence now. Put simply, it does not assist. No single trader can be expected to know the business of every other, particularly in a field such as clothing. Thus, whether Mr Oratis knew of any goodwill is neither here nor there.

12. Mr Buehrle's second witness statement (the further evidence discussed earlier) is to provide information about Hertfordshire Displays, the company that supplied goods to the applicant. Put simply, it appears that it specialises in the provision of promotional goods for businesses.

Section 5(4)(a) of the Act – passing off

13. Section 5(4)(a) of the Act reads:

“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, or

(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.”

14. Halsbury's Laws of England (4th Edition) Vol. 48 (1995 reissue) at paragraph 165 provides the following analysis of the law of passing-off. The analysis is based on guidance given in the speeches in the House of Lords in *Reckitt & Colman Products Ltd v. Borden Inc.* [1990] R.P.C. 341 and *Erven Warnink BV v. J. Townend & Sons (Hull) Ltd* [1979] AC 731. It is (with footnotes omitted) as follows:

“The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:

(1) that the plaintiff's goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;

(2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by the defendant are goods or services of the plaintiff; and

(3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant's misrepresentation.

The restatement of the elements of passing off in the form of this classical trinity has been preferred as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House. This latest statement, like the House's previous statement, should not, however, be treated as akin to a statutory definition or as if the words used by the House constitute an exhaustive, literal definition of passing off, and in particular should not be used to exclude from the ambit of the tort recognised forms of the action for passing off which were not under consideration on the facts before the House."

15. Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph 184 it is noted (with footnotes omitted) that:

"To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

(1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and

(2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot

be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

- (a) the nature and extent of the reputation relied upon;
- (b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;
- (c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;
- (d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and
- (e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.”

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action.”

16. 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.”

17. 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.”

18. 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.”

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)

19. In terms of what is required to establish goodwill, I note that 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 of 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.”

20. However, in *Minimax GmbH & Co KG v Chubb Fire Limited* [2008] EWHC 1960 (Pat) Floyd J. 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.”

21. Whether there has been passing-off must be judged at a particular point (or points) in time. In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11, Mr Daniel Alexander QC, sitting as the Appointed Person, discussed the matter of the relevant date in a passing-off case:

“43. In *SWORDERS TM* O-212-06 Mr Alan James acting for the Registrar well summarised the position in s.5(4)(a) proceedings as follows:

‘Strictly, the relevant date for assessing whether s.5(4)(a) applies is always the date of the application for registration or, if there is a priority date, that date: see Article 4 of Directive 89/104. However, where the applicant has used the mark before the date of the application it is necessary to consider what the position would have been at the date of the start of the behaviour complained about, and then to assess whether the position would have been any different at the later date when the application was made.’ ”

22. The subject mark was filed on 25 November 2015. No use prior to this has been provided (or even claimed), so, consequently, this is the only date at which I need to consider the position.

The extent of the applicant’s goodwill at the relevant date

23. Ms Newnes’ submissions were, essentially, two-pronged. She relied on goodwill in relation to the field of clothing (on account of the clothes market that was operated at the Electric Ballroom venue and also the sale of t-shirts) and, alternatively, in relation to the provision of music related services at the venue. Mr Buehrlen did not accept that the evidence established any form of goodwill, however, his fall-back position appeared to be that there may be goodwill, but at the most this was in relation to the operation of a music venue (and the accompanying provision of food and drink) (see paragraph 21 of his skeleton argument). I should also add that Mr Buehrlen seemed

somewhat surprised that an argument was being run on both the goodwill in clothing and, also, the goodwill more generally (he was unclear whether the latter was included in the claim). I was unsurprised by Ms Newnes' two-pronged submissions as it was clear from the pleadings that the goodwill (and the passing-off claim itself) was pleaded far more widely than in relation to just clothing.

24. In my view, the position in relation to the provision of music services at the Electric Ballroom venue is clear cut. Electric Ballroom has been the name of the venue since 1978. High profile artists have played there and the venue has received not-insignificant press attention. Some of the press articles have highlighted the venue as having some form or historic cultural importance in the provision of such services. There is, of course, just one outlet. Nevertheless, the length of use and the likely appreciation of the name by members of the public is symptomatic of a goodwill which is far more than trivial. Whilst it may not be a household name, it will have a fairly high level of public recognition with regular custom.

25. The more difficult question is whether the goodwill that the applicant possesses extends to the field of clothing. Ms Newnes relies on sales of clothing which bear the ELECTRIC BALLROOM name. This breaks down as (claimed) sales of ELECTRIC BALLROOM branded clothing and, also, use of the name ELECTRIC BALLROOM on clothing produced by bands that have played there. In terms of the former, in her first witness statement Ms Fuller did not even rely on sales to the public, she simply stated that staff at the venue will wear ELECTRIC BALLROOM clothing. It is only in her second witness statement that she states that some of the clothing items would have been sold to the public. There is, however, not a shred of evidence to support that position. No sales figures are given. There is only one invoice in the evidence that relates to the clothing, which is for the supply to the applicant of 60 t-shirts (of different sizes) and 10 hoodies. It is not possible to ascertain from this what proportion were for staff use and what proportion (if any) were sold to the public. The problem that manifests itself is that I have no idea how many (if any) t-shirts/hoodies were sold to the public so it is not possible to find that the claimed activity created, or contributed to, a more than trivial goodwill. The supply (and wearing) of t-shirts by members of staff does not assist either. This does nothing to place the applicant's business in the

field of clothing supply. It is nothing more than a promotional (of the music venue) form of use.

26. In relation to the band t-shirts, it is noteworthy that some of the examples provided use the name ELECTRIC BALLROOM simply for the purpose of identifying where a particular gig has taken place. This is not use for the purpose of identifying trade origin that would realistically contribute to a goodwill, other than by way of promoting the venue. Indeed, Ms Fuller states in her witness statement that such use is a good form of promotion. Another of the t-shirts (the one featuring the band MUSE) uses the words in a very small way only. One t-shirt features ELECTRIC BALLROOM more obviously, and less obviously as a mere venue identification, something which Ms Newnes highlighted at the hearing. However, it is not clear what this t-shirt relates to nor when it was produced. Nor can it be inferred that this is a typical form of use, particularly when one contrasts that use with the other t-shirts. Again, I do not consider that this takes the applicant any further forward. Ms Newnes also submitted that the t-shirts were on sale at the venue. This may be so, however, it is not as though this suddenly means that the applicant is undertaking a business in the retailing of clothing. All it represents is that the band who is playing wishes to provide its fans with the opportunity to purchase merchandise and that a stall has been set up to facilitate this.

27. A further argument was put forward by Mr Buehrlen against Ms Newnes' submissions on the basis of the *WILD CHILD* case (BL O/306/98). He argued that this decision demonstrated that to contribute towards goodwill there must be use of the sign relied upon on neck labels, swing tags and other more traditional manner, as opposed to use on the front (or back) of a t-shirt. The following text is taken from *Wild Child*:

“My difficulty with regard to the use of the words WILD CHILD as part of the overall get-up of such sweatshirts is that I would not expect people to interpret the use of those words in that manner as an indication of trade origin. I therefore cannot see any basis for the suggestion that people in the world at large will have been educated by means of such use to infer that “complete articles of outer clothing; footwear and headgear” supplied under or by reference to the trade mark WILD CHILD are connected in the course of trade

or business with the undertaking responsible for supplying sweatshirts embellished in the way I have described. On that view of it the evidence tendered on behalf of the Opponent does not actually demonstrate that the words WILD CHILD have been used by the Opponent in a manner sufficient to cause them to be misleading”

28. I have already held that the use on clothing items does not really assist the applicant, so, the *WILD CHILD* case does not take matters much further forward. However, what I would say is that I do not understand *WILD CHILD* to be laying down an invariable rule that to contribute towards goodwill the use of the sign relied upon must be on the neck label or swing tag (although I accept that if it is, a decision in favour of the claimant would be far easier to reach). All that was held is that in the context of the get-up in that case (which included use of a different sign, BABY BLOGGS, on the neck label and also on the front of the t-shirt), the use of the sign WILD CHILD purely on the front of the t-shirt (which could of course be seen as a statement about the wearer) did not do the job.

29. That then leads to the clothes market which was operated at the venue. Although the detail in relation to this is pretty thin, on the basis of Ms Fuller’s testimony, together with the Facebook page and the reference in the Camden Guide, it must be accepted as a matter of fact that a clothes market did take place at the Electric Ballroom venue until August 2014. Of course, it is possible that the Electric Ballroom may simply have been the location where the market was held with someone else operating the market, in which case the name Electric Ballroom would not be indicating the trade origin of the market. However, the article in the Camden Guide shows a person holding a sign which reads “THE ELECTRIC BALLROOM MARKET” with an arrow pointing in its direction. Further, the Facebook page is headed “Electric Ballroom Market Camden”. This suggests, and presents at least a prima facie case, that the name ELECTRIC BALLROOM is being used to indicate the trade origin of the market operation. No evidence has been filed to rebut that this is the case.

30. I am conscious, though, that despite Ms Fuller stating that the market was popular, she has provided no evidence as to the amount of sales made through the market by the traders who sold their wares, nor the footfall on a typical market day. Nor is there

any evidence to suggest that the market was known much further afield than the area of Camden. Thus, I must conclude that any goodwill was in the operation of a clothes market and that such goodwill was small, although, I accept that it is of more than a trivial level. It is implicit from this finding that the closure of the market before the relevant date would not have extinguished this goodwill due, as Ms Newnes submitted, to the relatively short period of time which elapsed between closure and the relevant date.

Misrepresentation

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

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

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

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

And later in the same judgment:

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

concentrate on the quantitative to the exclusion of the qualitative aspect of confusion.”

32. A common field of activity is not a prerequisite to found a passing-off claim (see *Harrods Limited v Harrodian School Limited* [1996] RPC 697 (CA)). However, a presence of a common field is clearly a highly important factor.

33. The mark registered by the proprietor is the same as the primary sign associated with the applicant’s goodwill. This is something which clearly counts in the applicant’s favour. I also consider the fact that ELECTRIC BALLROOM is a fairly unusual combination of words (even if the word BALLROOM itself may not be the most distinctive word in relation to a music venue or even some forms of clothing) which means that members of the public may (depending of the respective fields of activity) more readily assume an economic connection as opposed to a co-incidental form of use. However, regardless of these two factors, the context of the applicant’s goodwill must be considered and the field of activity it operates in which, as stated earlier, is a highly pertinent factor.

34. Ms Newnes’ first argument was based upon the goodwill in the clothing field. I have already rejected that the applicant has a protectable goodwill in the field of clothing per se. There may, however, be a small goodwill in relation to the provision of a weekly clothes market. However, despite clothes being the subject of the market, I do not think it likely that a substantial number of members of the public will assume that branded ELECTRIC BALLROOM clothing has come from (or otherwise authorised) from the economic undertaking responsible for a local weekly clothes market. This is so irrespective of the identity of the signs and the fact that the mark is inherently distinctive to a reasonably high degree. The move from the operation of a market to trading in branded clothing is not likely. I bear in mind what Ms Newnes said about the *Lego* case (although her submissions were in relation to the more general claim relating to the music venue), but the whole factual matrix does not suggest to me that a misrepresentation will occur on the basis put forward.

35. Ms Newnes’ second argument is based upon the goodwill more generally. She highlighted that the ELECTRIC BALLROOM is not just any music venue but is one

with a notoriety. She referred, for example, to the evidence from the press articles in support of this. Given this notoriety, it was submitted that a misrepresentation would occur. Ms Buehrlen submitted that a misrepresentation would not occur given the very different field of activity.

36. In my view, it is not unreasonable to assume that well-known or iconic music venues would merchandise their operation so as to produce goods which will be attractive to members of the public who would purchase them to show some form of affiliation to the venue or otherwise to demonstrate a fondness for the venue itself. The applicant, based on the evidence, has not done so itself. However, that does not prevent members of the public from assuming that an item of clothing branded as ELECTRIC BALLROOM is such a thing. I agree with Ms Newness that the ELECTRIC BALLROOM does have a degree of notoriety and cultural significance and that this contributes to the likelihood of a misrepresentation occurring. This is re-enforced by the fact that the goodwill in the field of music venues is fairly strong and the primary sign used has a reasonably high degree of inherent distinctiveness also. Notwithstanding what is said in *WILD CHILD*, certain forms of use (including on the front of garments) of the mark on certain items of clothing, may perform a dual role of showing some form of affiliation whilst also indicating trade origin. Such use could also be in the more traditional forms, such as swing tags and neck labels. In summary, for certain items of clothing, I hold that a substantial number of members of the public would believe that ELECTRIC BALLROOM, used notionally and fairly upon certain items of clothing, were the responsibility (or had otherwise been authorised) by the undertaking responsible for the ELECTRIC BALLROOM music venue.

37. In the preceding paragraph I have been somewhat vague in my use of the term “certain items of clothing”. This is for two reasons. First, the applicant states in its counterstatement that its adoption of the mark was to trade in the field of clothing for ballroom dancing. Second, whilst certain items of clothing (for example, t-shirts, hoodies, baseball caps and socks) are likely to be merchandised in the manner I have suggested, others (such as wedding dresses and football boots) are not so likely. My opinion on such articles (clothing for ballroom dancing, wedding dresses and football boots) is that misrepresentation will not occur. This is because the use of the mark ELECTRIC BALLROOM on clothing for ballroom dancing is likely to suggest to

members of the public a purely co-incidental use because of the link between the mark and ballroom dancing and, also, the incongruity between a music venue such as that of the applicant (which hosts bands such as U2, Prince, Muse etc) and clothing for ballroom dancing. In relation to the other goods I have exemplified (which I have selected merely to illustrate a point), these constitute items which are so far removed from typical items of merchandise that, again, it would be incongruous to assume that the owners of the ELECTRIC BALLROOM have branched out (either on its own or given some form of authority for another party to do so) in relation to such goods.

38. The net effect of the above is that if the specification were to be amended to something along the lines of "Articles of clothing, footwear and headgear for ballroom dancing" then my finding would be that there is no misrepresentation. That finding of no misrepresentation could be extended to other goods, dependent on the proprietor's wishes, if they are sufficiently far removed from the type of clothing which would be traditionally merchandised or could function as an image carrier of some form.

Damage

39. In *Harrods Limited V Harrodian School Limited* [1996] RPC 697, Millett L.J. described the requirements for damage in passing off cases like this:

"In the classic case of passing off, where the defendant represents his goods or business as the goods or business of the plaintiff, there is an obvious risk of damage to the plaintiff's business by substitution. Customers and potential customers will be lost to the plaintiff if they transfer their custom to the defendant in the belief that they are dealing with the plaintiff. But this is not the only kind of damage which may be caused to the plaintiff's goodwill by the deception of the public. Where the parties are not in competition with each other, the plaintiff's reputation and goodwill may be damaged without any corresponding gain to the defendant. In the *Lego* case, for example, a customer who was dissatisfied with the defendant's plastic irrigation equipment might be dissuaded from buying one of the plaintiff's plastic toy construction kits for his children if he believed that it was made by the defendant. The danger in such a case is that the plaintiff loses control over his own reputation."

40. In *Ewing v Buttercup Margarine Company, Limited*, [1917] 2 Ch. 1 (COA), Warrington L.J. stated that:

“To induce the belief that my business is a branch of another man's business may do that other man damage in various ways. The quality of goods I sell, the kind of business I do, the credit or otherwise which I enjoy are all things which may injure the other man who is assumed wrongly to be associated with me.”

41. Ms Newnes’ submissions were based on an injurious association argument as the applicant would have no control on the conduct of the proprietor and the quality of his goods, something which may reflect poorly on the applicant. Further, an argument was made on the basis of an erosion of the distinctiveness of the mark. Mr Buehrlen first argued that such submissions were outwith the type of damage that passing-off claims were able to protect against which, from his understanding, were more to do with loss of sales. He also argued that there was no proof of any damage and, in any event, the goods being sold by the proprietor (clothing) were the same as those claimed to have been sold by the applicant.

42. In terms of the scope argument, it is clear, as Ms Newnes submitted, that damage may go much further than loss of sales. The two judgments outlined above make that clear. In terms of proof of damage, there is inevitably difficulty in proving damage in a *quia timet* action such as this. However, I think the point raised by Ms Newnes is a reasonable one. Putting your reputation in the hands of another, with no ability to control their actions, could rise to a whole host of problems. Given the nature of the applicant’s music venue and what I described earlier as its notoriety and cultural significance, damage could occur via the proprietor using his mark in a manner which does not fit with the image that has been cultivated. In terms of loss of distinctiveness, this was referred to 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)."

43. This is another form of damage that may arise.

Conclusion

44. The three elements of passing-off are present. The application for invalidity succeeds in relation to the types of goods which I indicated earlier would lead to a misrepresentation.

45. Without amendment to the specification, the application for invalidity will succeed in relation to all of the goods for which the mark is registered. However, the proprietor is invited to request a limitation to its specification, if it so wishes, to something along the lines of : "Articles of clothing, footwear and headgear for ballroom dancing" and/or any other goods which are sufficiently far removed from the type of clothing which would be traditionally merchandised or could function as an image carrier of some form. The applicant will then be given an opportunity to comment on the revised specification in terms of its capacity to avoid the objection. I will then issue a supplementary decision, which will also deal with the matter of costs.

Dated this 19TH day of May 2017

Oliver Morris

For the Registrar,

The Comptroller-General