

O/271/18

TRADE MARKS ACT 1994

**TRADE MARK REGISTRATION No. 3130309
IN THE NAME OF HIGH HOUSE BARNS LIMITED**

AND

**APPLICATIONS 501551 & 501552
BY HIGH HOUSE PRODUCTION PARK LIMITED
FOR A DECLARATION OF INVALIDITY
AND/OR THE REVOCATION OF TRADE MARK 3130309**

Background and pleadings

1. These are consolidated applications by High House Production Park Limited (“the applicant”) to invalidate and/or revoke UK trade mark 3130309 (“the contested mark”) in the name of High House Barns Limited (“the proprietor”).

2. The contested mark is the words ‘High house barns’. The application to register the mark was filed on 6th October 2015 (“the relevant date”). The mark was registered on 22nd January 2016. It is registered in class 43 in relation to:

“Arranging of wedding receptions [food and drink]; Arranging of wedding receptions [venues].”

3. There are three grounds for invalidation and one for revocation. The applicant claims that:

- (i) It is the proprietor of the registered freehold in High House Production Park, Purfleet, Essex;
- (ii) High House is the collective name for a group of historic buildings including the Grade II listed house and barn;
- (iii) High House Production Park is where the buildings are located;
- (iv) The grade II listed barn and buildings around it (collectively known as High House Barns) have become a popular venue for wedding events;
- (v) The park is managed by The Backstage Centre (TBC);
- (vi) The sole director of the proprietor is Victoria Pearson;
- (vii) Ms Pearson trades as Pink Butterfly and is a wedding planner;
- (viii) She used to have an exclusive booking arrangement with TBC, whereby she would refer potential bookings for wedding events at High House Barns to the applicant or its manager, TBC;
- (ix) Following a tendering process, notice was given to Pink Butterfly on 27 March 2015 that the arrangement would end on 30 September 2015 (i.e. 6 days before the application to register the mark was filed);
- (x) The proprietor cannot claim any connection to the buildings known as High House Barns;

- (xi) Ms Pearson's husband is the owner of the domain name highhousebarns.co.uk;
- (xii) The contested mark (in the form of the domain name) is being used to re-direct internet traffic to the website of a competing wedding venue called Crossing Barns, where Mr and Mrs Pearson now arrange weddings;
- (xiii) In 2016 the proprietor claimed to own goodwill in a wedding events business called High House Barns and sued the business which won the 2015 tender for the applicant's venue (called Grand Events) for passing off;
- (xiv) The Intellectual Property Enterprise Court struck the claim out on 12th January 2017;
- (xv) The judge held that there was no evidence that the proprietor had used HIGH HOUSE BARNS for the purpose of trading as a wedding organiser (as opposed to the name of a venue for its events);
- (xvi) The application to register the trade mark in the proprietor's name was therefore made in bad faith contrary to s.3(6) of the Trade Marks Act 1994 ("the Act");
- (xvii) The contested mark consists of the name of buildings where wedding events take place and it therefore designates the geographical origin of the services;
- (xviii) The registration of the contested mark was therefore contrary to s.3(1)(b) and (c) of the Act;
- (xix) The public will be misled into believing that the proprietor is providing services at the geographical location known as High House Barns, when it cannot;
- (xx) The public will be misled into believing that the proprietor is connected with the venue known as High House Barns and/or the applicant, when it is not;
- (xxi) The contested mark is therefore liable to mislead the public as to the geographical origin or other characteristics of the services and registration of the mark should be revoked under s.46(1)(d) of the Act.

4. The proprietor filed counterstatements dated 4th April 2017 denying the grounds for invalidation and revocation of the contested mark. The proprietor claimed that:

- (i) The venue owned and operated by the applicant had never been known as High House Barns prior to its involvement with the venue in 2012;
- (ii) The name HIGH HOUSE BARNS was used by Pink Butterfly from 2012 as a means of advertising the venue;
- (iii) Mr Pearson registered the domain name highhousebarns.co.uk in April 2012 for this purpose;
- (iv) Following the success of the venue the proprietor was registered as a company in 2014, without objection from the applicant;
- (v) At the time of the application for registration, the proprietor still had 30 weddings booked at the applicant's venue running up to October 2016;
- (vi) As the applicant had produced no evidence that it had used HIGH HOUSE BARNS prior to 2012, the proprietor believed that it had a legitimate claim to be the owner of the mark in class 43;
- (vii) As the proprietor was not using the mark in connection with any other venue, there was no confusion of the public.

5. The applicant seeks an award of costs.

Representation

6. The applicant is represented by Counterculture Partnership LLP, solicitors. The proprietor is not legally represented. Neither side wished to be heard. The applicant filed written submissions in lieu of a hearing.

The evidence

7. The applicant's evidence consists of a witness statement by Paul Hellen, who is Operations Manager at High House Productions Park. He has held this role since 2011. Mr Hellen gives evidence that:

- (i) The applicant has been the owner of the land and buildings known as High House Barns at all material times;
- (ii) The proprietor was incorporated on 24th October 2014;
- (iii) There has never been an arrangement between the applicant and the proprietor;
- (iv) The proprietor was incorporated without the applicant's knowledge;
- (v) In 2012 the applicant entered into an informal arrangement with Ms Pearson, trading as Pink Butterfly, under which Ms Pearson was allowed to offer to provide services for wedding events at the applicant's venue;
- (vi) The advertisements for the wedding venue were approved by the applicant (who also paid for some of them) and referred to High House Barns as the venue and Pink Butterfly as the provider of the wedding services;
- (vii) In April 2014 the arrangement with Pink Butterfly was formalised and set out in an email from Mr Hellen to Ms Pearson dated 15th April 2014;¹
- (viii) It was agreed that Pink Butterfly would continue to procure wedding hires of High House Barns until 31st December 2016;
- (ix) Pink Butterfly would introduce potential hirers to TBC as agents for the applicant;
- (x) Pink Butterfly operated as a wedding co-ordinator and as an agent for its clients in relation to the services provided to them by third parties, including the hire of the applicant's venue;²
- (xi) Following an open tender process, TBC gave notice to Pink Butterfly on 27th March 2015 that the booking arrangement would come to an end on 30th September 2015, although it was agreed that bookings made prior to the termination of the booking arrangement would be honoured;
- (xii) Since at least the time the trade mark application was filed, visitors to the website highhousebarns.co.uk (owned by Mr Pearson) have been

¹ See pages 24-25 of PH1

² See pages 29-33 of PH1

automatically redirected to cressingbarns.co.uk, which promotes a competing wedding venue called Cressing Temple.³

8. The proprietor's evidence consists of a witness statement by Victoria Pearson. Some of the material attached to Ms Pearson's statement relates to settlement discussions between the parties. I have taken no account of this because it appears to be covered by the 'without prejudice' rule (and would make no difference, even if I did). Ms Pearson's evidence is that:

- (i) She established High House Barns in 2012 after discussions with Paul Hellen;
- (ii) Mr Hellen did not wish to use the applicant's corporate name for the venue;⁴
- (iii) The domain name highhousebarns.co.uk was registered in the name of Luke Pearson, trading as Pink Butterfly, on 20th April 2012;
- (iv) Paul Hellen approved all advertising and marketing, some of which included the domain name used to market the venue;⁵
- (v) Although the applicant paid for some of the advertising, the advertising accounts were held in the name of Pink Butterfly;
- (vi) The applicant never traded as HIGH HOUSE BARNs.

9. The information attached to Ms Pearson's statement shows that advertisements were placed in a publication called 'The Wedding Planner'. These appear to have promoted High House Barns as a venue. The party providing the services was shown as pinkbutterfly.⁶ The highpoint of the proprietor's case appears to be that the booking form for an advertisement in The Wedding Planner, dated 19th June 2014, referred to the proprietor as "Pink Butterfly – Trading as High House Barns."⁷

³ See pages 45-37 of PH1

⁴ In support of this claim, Ms Pearson provided a copy of the applicant's Venue Hire Pack from 2012. This uses the applicant's corporate name. I note that one of the properties listed for hire was the "Full Barn". See pages 52-53 of the pages attached to Ms Pearson's statement.

⁵ See page 17 of the pages attached to Ms Pearson's statement.

⁶ See page 17 of the pages attached to Ms Pearson's statement.

⁷ See page 18 of the pages attached to Ms Pearson's statement.

The section 3(1) grounds for invalidation

10. The relevant part of s.3(1) reads as follows:

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

(a) -

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

(c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services,”

11. Section 3(1)(c) must be interpreted in accordance with the purpose of that provision. The purpose of the provision has been described by the Court of Justice of the European Union (“CJEU”) in the following terms:

“37. The general interest underlying Article 7(1)(c) of Regulation No 40/94 is that of ensuring that descriptive signs relating to one or more characteristics of the goods or services in respect of which registration as a mark is sought may be freely used by all traders offering such goods or services (see, to that effect, *OHIM v Wrigley*, paragraph 31 and the case-law cited).”⁸

12. High House Barns is not a geographical place, like Essex or even Purfleet. It is the name of a building or buildings on the applicant’s estate. Therefore, High House Barns is not a sign that should be refused registration as a trade mark so that it “..*may be freely used by all traders offering [arranging of wedding receptions] services.*” Properly analysed, the mark is not an indication of the geographical origin of the services. The ground of invalidation under s.3(1)(c) of the Act is therefore misconceived and must be rejected accordingly.

⁸ *Agencja Wydawnicza Technopol sp. z o.o. v OHIM*, case C-51/10 P. Although this judgment related to an EU trade mark, the same policy is applicable under article 3(1)(c) of the Trade Marks Directive and national laws made under that provision, specifically s.3(1)(c) of the Act.

13. The purpose of s.3(1)(b) of the Act was described by the CJEU in *OHIM v BORCO-Marken-Import Matthiesen GmbH & Co KG*⁹ as follows:

“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.

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.”

14. The applicant has not explained why the words HIGH HOUSE BARNS are inherently incapable of distinguishing the services of an undertaking arranging weddings. The limited use of those words shown in the evidence as a (probably relatively local) venue for weddings is nowhere near enough to establish that, at the relevant date, the average UK consumer would not have regarded those words as a trade mark for the registered services (if they were used as such). The s.3(1)(b) ground is therefore also rejected.

The section 46(1)(d) ground for revocation

15. Section 46(1)(d) of the Act is as follows:

“46. - (1) The registration of a trade mark may be revoked on any of the following grounds-

- (a) -
- (b) -
- (c) -

⁹ Case C-265/09 P

(d) that in consequence of the use made of it by the proprietor or with his consent in relation to the goods or services for which it is registered, it is liable to mislead the public, particularly as to the nature, quality or geographical origin of those goods or services.”

16. Section 46(1)(d) applies where, as a consequence of the use made of the mark by the proprietor, it is liable to mislead the public, particularly as to the geographical origin of the registered services. However, HIGH HOUSE BARNS is not an indication of geographical origin. Consequently, any use of the contested mark by the proprietor would not have misled the public as to the geographical origin of the services.

17. The applicant also appears to complain that the proprietor’s use is liable to mislead the public into believing that there is a connection with the applicant or its building. The first part of the pleading appears to assert an earlier right to the name HIGH HOUSE BARNS. However, the applicant does not claim to have used that sign itself as an indication of the trade source of its services, and no claim is made with regard to its use of High House Production Park. The second part of the pleading appears to depend on the proprietor having used the contested mark to mislead the public into believing that it provides services at the applicant’s venue when it does not. The only such use of the trade mark that the applicant has identified is the use of the mark as part of the domain name highhousebarns.co.uk. However, even if the existence of that website, and the redirection of traffic from it to a competitor’s website, amounts to use of the contested mark, there is no evidence that the public has been misled into believing (contrary to the facts) that the proprietor is arranging weddings at the applicant’s venue. Consequently, the applicant’s claims disclose no clear basis for revocation of the contested mark under s.46(1)(d) of the Act. The applicant’s application for revocation is therefore rejected.

The section 3(6) ground for invalidation

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

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

Section 47(1) of the Act states:

“47. - (1) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 3 or any of the provisions referred to in that section (absolute grounds for refusal of registration).”

19. The law in relation to section 3(6) of the Act (“bad faith”) was summarised by Arnold J. in *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited*:¹⁰

“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*

¹⁰ [2012] EWHC 1929 (Ch)

[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 Plastics 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)."

20. The inapplicability of other grounds for invalidation and revocation does not preclude the application of s.3(6) of the Act, which operates as a free-standing ground for refusal or cancellation.¹¹

21. The applicant's case is that, at the relevant date:

- (i) The proprietor had no connection with the wedding venue known as High House Barns;
- (ii) The director of the proprietor knew that it had no right to take bookings for that venue;
- (iii) The same person knew that the venue was owned by the applicant and that another party had been awarded the contract to arrange weddings at the venue;
- (iv) In these circumstances, the application to register the name of the venue as a trade mark fell well below the standard of behaviour observed by ordinary honest people and amounted to an act of bad faith towards the applicant.

22. The proprietor's case appears to be that:

- (i) The proprietor made no use of the name High House Barns prior to Pink Butterfly's involvement in 2012;
- (ii) At the relevant date, the proprietor had outstanding weddings to arrange at the venue known as High House Barns;

¹¹ See *Fianna Fail and Fine Gael v Patrick Melly* [2008] ETMR 41

- (iii) The contested mark distinguished its services, not those of the applicant.

23. I find that the absence of evidence of use of High House Barns prior to 2012 is irrelevant. In any event, the applicant was using High House Production Park as the name of its whole venue facility, and this included the use of the barns as a venue. It was but a short step to High House Barns.

24. The fact that it had been agreed that Pink Butterfly could continue to use the applicant's venue for the weddings booked before the arrangement contract was awarded to a different company is also irrelevant. That in no way justified the proprietor in registering the name of the applicant's venue as its trade mark.

25. The evidence discloses no use of HIGH HOUSE BARNS prior to the relevant date, by the proprietor, as its trade mark. There is one instance where a publishing company appears to recognise the name as being the trading name of the proprietor. However, that is not enough to show that customers or potential customers of services for arranging weddings regarded the contested mark as the proprietor's trading name. And judging from the scant use of the name shown in the evidence, it seems likely that Pink Butterfly would have been taken as the proprietor's trading name and HIGH HOUSE BARNS as the name of a venue at which it arranged weddings. I therefore reject the proprietor's claim that HIGH HOUSE BARNS was distinctive of its business at the relevant date.

26. Standing back and looking at the evidence in the round it seems clear that the registration of the contested mark was either a misguided attempt to preserve the proprietor's interest in the contested mark after it had lost the contract to arrange further weddings at the applicant's venue of the same name and/or an attempt to frustrate the business of the applicant and the business awarded the wedding bookings contract in succession to the proprietor. Either way, I have no doubt that in applying to register the contested mark in its own name the proprietor's behaviour fell below the standards observed by ordinary honest people. It was an act of bad faith towards the applicant. The ground for invalidation under s.47(1) of the Act based on s.3(6) therefore succeeds.

Outcome

27. Trade mark 3130309 is invalid and will be cancelled with effect from 6th October 2015.

Costs

28. The applicant has been successful and is entitled to a contribution towards its costs. The applicant seeks off-scale costs. This is said to be justified because (i) the proprietor missed the deadline for filing its counterstatement in the revocation action, (ii) took three attempts to get its evidence in order, which caused delays, (iii) included without prejudice material in its evidence, requiring the applicant to apply for it to be struck out, and (iv) did not copy other documents to the applicant (it is not clear which documents this relates to).

29. I see nothing in these points, even taken together, which would justify off-scale costs. It might have been thought that having failed to establish any legal rights under the contested mark in the passing-off before IPEC, the very fact that the proprietor persisted with its claim to a trade mark consisting of the name of the applicant's wedding venue was something which, by itself, justified a different approach to costs. However, the applicant has not taken that point. I will therefore stick to scale costs, but use my discretion to award costs which go a bit further than usual in compensating the applicant for the costs that the proprietor has caused it. I will also take into account that a number of the applicant's grounds failed, including the ground for revocation.

30. I calculate costs as follows:

£200 official filing fee for filing TM26(I);

£350 for filing a notice of invalidation and considering the proprietor's counterstatement;

£1250 for filing evidence and considering the proprietor's evidence;

£100 for applying to have without prejudice material excluded;

£250 for filing written submissions.

31. I therefore order High House Barns Limited to pay High House Production Park Limited the sum of £2150. This sum to be paid within 14 days of the end of the period allowed for appeal or, if there is an appeal, within 14 days of the conclusion of the appeal proceedings (subject to any order of the appellate tribunal).

Dated this 3rd day of May 2018

**Allan James
For the Registrar**