

O-766-21

**TRADE MARKS ACT 1994
IN THE MATTER OF APPLICATION No. 3203938
BY GAVIN FRANKLAND
TO REGISTER THE TRADE MARK
BRITISH LAMBRETTA OWNERS ASSOCIATION
IN CLASS 41**

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER No. 408980 BY
LAMBRETTA CLUB OF GREAT BRITAIN**

BACKGROUND

- 1) On 23 December 2016, Gavin Frankland (hereinafter the applicant) applied to register the trade mark “British Lambretta Owners Association” in respect of the following services in Class 41: Club services [entertainment or education].
- 2) The application was examined and accepted, and subsequently published for opposition purposes on 13 January 2017 in Trade Marks Journal No.2017/002.
- 3) On 11 April 2017 the Lambretta Club of Great Britain (hereinafter the opponent) filed a notice of opposition. The grounds of opposition are, in summary:
 - a) As a result of the use made of the sign “British Lambretta Owners Association” since 1954 the opponent has acquired a substantial amount of goodwill and reputation in its mark in the UK in relation to club services (entertainment and education), badges, clothing, memorabilia, magazines and events such that the average consumer will assume that the services of the applicant are those of the opponent or linked to them and therefore misrepresentation will occur. The mark in suit therefore offends against section 5(4)(a) of the Act.
 - b) The use of the mark in suit by the applicant would be unlawful by reason of the law of copyright and design right and so offends against Section 5(4)(b) of the Act.
 - c) The applicant is a former member of the opponent club but fell out with its officers and has deliberately set out to mislead the public that his organisation has exclusive rights to the name. He only set up his club in 2016 and has represented his club as being the authentic and historic Lambretta fans’ club. The application was made in bad faith and offends against section 3(6) of the Act.
 - d) Registration of the mark in suit would be contrary to public policy and/or of such a nature to deceive the public as to the nature, quality, history, authenticity and origin of goods and services and would offend against Section 3(3)(a) & (b) of the Act.
 - e) The opponent also opposed under Sections 5(1), 5(2) and 5(3) of the Act but has never had a registered trade mark. The only way the applicant can rely upon these sections are if its mark

is well known under Section 6(1)(c). I note that the opponent does refer to the mark “Lambretta” which was at one time registered by the concessionaire for the sale of scooters in the UK. However, as this was not the opponent and it appears that at best it is licensed by the previous owner it cannot bring a claim under these grounds as it is not the proprietor of the mark.

4) On 3 January 2019 the applicant filed a counterstatement, basically denying all the claims of use made by the opponent and denying that there would be misrepresentation etc. The applicant claims that there were always two clubs, the British Lambretta Owners Association (BLOA) and the Lambretta Club of Great Britain (LCGB), that BLOA was owned by the UK concessionaires for Lambretta Scooters and that the applicant has the permission of the concessionaires to use the mark in suit.

5) The opponent is professionally represented, whilst the applicant represented himself. Both parties filed evidence. Both parties seek an award of costs in their favour. Neither party wished to be heard on the issue and so a decision will be made from the papers. Only the opponent filed written submissions which I will refer to as and when necessary.

OPPONENT’S EVIDENCE

6) The opponent filed a witness statement, dated 7 June 2019, by Martin Weeks, who does not provide any details of his association with the opponent. In his statement he claims:

- The club was initially started with funding by Lambretta Concessionaires Ltd (LCL), the importer of Lambretta scooters under the name Club Lambretta GB in 1953.
- Since 1954 the club has been independent of LCL and first used the BLOA name (and shield device) in the same year and has used it continuously since that date, in relation to club activities, and the sale of clothing, badges memorabilia etc.
- In 1965 the club announced it was changing its name from BLOA to LCGB but that it would still use the BLOA name alongside.
- The LCGB has 5,200 fully paid up members.

- A director of LCL, Mr Agg, is claimed to have “entrusted” the BLOA to Mr Frankland and correspondence was attached to the TM8 to this effect. Attached to the witness statement are copies of correspondence with Mr Agg from 1965 (exhibit 8) and also a copy of Mr Agg’s will (exhibit 7). The witness points out that the signature on these documents does not accord with that on the letter relied upon by the applicant.

7) The witness statement has attached a number of exhibits which corroborate the claims made regarding events held and merchandise offered over the decades showing the names BLOA and LCGB used alongside each other on flyers, banners and merchandising. The latest date on any of these documents is from 2007.

APPLICANT’S EVIDENCE

8) The applicant filed a witness statement, dated 6 August 2019, by Gavin Frankland. I note that he does not comment upon most of the claims made in the opponent’s evidence. He includes various exhibits.

- Exhibit 1: An undated flyer which shows a transfer decal for the BLOA, the wording also mentions the availability of a transfer for LCGB members, both of which are available from the BLOA office.
- Exhibit 2: A copy of a document which was sent to all UK Lambretta dealers in February 1965. The letter is clearly printed with the name of the dealer being written in as is a “signature” for Mr Agg. This type of document is typically sent out by companies and will have the dealer name and signature of Mr Agg input by a member of the clerical team. By way of example, all decisions of the tribunal are “signed” by a computer from an original produced by the clerical team, and which bears no resemblance to the Hearing Officers real signature.
- Exhibit 3: A letter dated 23 August 1997 which purports to show that Mr Agg “gifting” the name BLOA to Mr Frankland. The “signature” at the bottom of the letter is an almost exact copy of that on document 2.

OPPONENT’S EVIDENCE IN REPLY

9) The opponent filed a witness statement, dated 4 March 2020, by Mr Weeks who has provided evidence earlier in this case. He confirms that initially the LCGB was a club within the BLOA club as membership of BLOA was free whereas membership of LCGB was by subscription. However, he confirms that there was “one club, one committee, one address and one contact telephone number”. He provides, at exhibit 1, additional documents which corroborate this claim. At exhibit 3 he provides a copy of an insurance certificate dated 19 March 1969, which has printed upon it that the BLOA is now named LCGB. I note that all the documents included in the exhibits are either undated or are from the 1960s.

10) That concludes my summary of the evidence filed, insofar as I consider it necessary.

DECISION

11) Although the UK has left the EU, section 6(3)(a) of the European (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Trade Marks Act relied on in these proceedings are derived from an EU Directive. This is why this decision continues to make reference to the trade mark case-law of EU courts.

12) I shall first turn to the ground of opposition under Section 5(4)(a) which reads:

“(4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented-

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, where the condition in subsection (4A) is met,

(aa)

(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.”

Subsection (4A) of Section 5 states:

“(4A) The condition mentioned in subsection (4)(a) is that the rights to the unregistered trade mark or other sign were acquired prior to the date of application for registration of the trade mark or date of the priority claimed for that application.”

13) In *Discount Outlet v Feel Good UK*, [2017] EWHC 1400 IPEC, Her Honour Judge Melissa Clarke, sitting as a deputy Judge of the High Court, conveniently summarised the essential requirements of the law of passing off as follows:

“55. The elements necessary to reach a finding of passing off are the ‘classical trinity’ of that tort as described by Lord Oliver in the *Jif Lemon* case (*Reckitt & Colman Product v Borden* [1990] 1 WLR 491 HL, [1990] RPC 341, HL), namely goodwill or reputation; misrepresentation leading to deception or a likelihood of deception; and damage resulting from the misrepresentation. The burden is on the Claimants to satisfy me of all three limbs.

56. In relation to deception, the court must assess whether “*a substantial number*” of the Claimants’ customers or potential customers are deceived, but it is not necessary to show that all or even most of them are deceived (per *Interflora Inc v Marks and Spencer Plc* [2012] EWCA Civ 1501, [2013] FSR 21).”

14) Whilst Halsbury’s Laws of England Vol. 97A (2012 reissue) provides further guidance with regard to establishing the likelihood of deception. In paragraph 309 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."

15) I must first determine the relevant date. In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11, Mr Daniel Alexander QC, as the Appointed Person, endorsed the registrar's assessment of the relevant date for the purposes of section 5(4)(a) of the Act, as follows:

“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.’ ”

16) Clearly, in the absence of any evidence of use prior to the application date by the applicant the relevant date is the date of application 3 January 2019.

17) I must next consider whether the opponent had, at the relevant date, goodwill in the sign British Lambretta Owners Association (BLOA), and if so in relation to what goods or services. In deciding this I look to the comments in *Inland Revenue Commissioners v Muller & Co’s Margarine Ltd* [1901] AC 217 (HOL):

“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.”

18) I also take into account the views expressed in *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19 (HC), where 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.”

19) However, in *Minimax GmbH & Co KG v Chubb Fire Limited* [2008] EWHC 1960 (Pat) Floyd J. (as he then was) stated that:

“[The above] observations are obviously intended as helpful guidelines as to the way in which a person relying on section 5(4)(a) can raise a case to be answered of passing off. I do not understand Pumfrey J to be laying down any absolute requirements as to the nature of evidence which needs to be filed in every case. The essential is that the evidence should show, at least prima facie, that the opponent's reputation extends to the goods comprised in the application in the applicant's specification of goods. It must also do so as of the relevant date, which is, at least in the first instance, the date of application.”

20) I also take into account that the goodwill must be more than trivial in extent and take into account *Hart v Relentless Records* [2002] EWHC 1984 (Ch), where 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.”

21) I further note that in *Smart Planet Technologies, Inc. v Rajinda Sharm* [BL O/304/20], Mr Thomas Mitcheson QC, as the Appointed Person, reviewed the following authorities about the establishment of goodwill for the purposes of passing-off: *Starbucks (HK) Ltd v British Sky Broadcasting Group Plc* [2015] UKSC 31, paragraph 52, *Reckitt & Colman Product v Borden* [1990] RPC 341, HL and *Erven Warnink B.V. v. J. Townend & Sons (Hull) Ltd* [1980] R.P.C. 31. After reviewing these authorities Mr Mitcheson concluded that:

“.. a successful claimant in a passing off claim needs to demonstrate more than nominal goodwill. It needs to demonstrate significant or substantial goodwill and at the very least sufficient goodwill to be able to conclude that there would be substantial damage on the basis of the misrepresentation relied upon.”

22) After reviewing the evidence relied on to establish the existence of a protectable goodwill Mr Mitcheson found as follows:

“The evidence before the Hearing Officer to support a finding of goodwill for Party A prior to 28 January 2018 amounted to 10 invoices issued by Cup Print in Ireland to two customers in the UK. They were exhibited to Mr Lorenzi’s witness statement as exhibit WL-10. The customers were Broderick Group Limited and Vaio Pak.

37. The invoices to Broderick Group Limited dated prior to 28 January 2018 totalled €939 and those to Vaio Pak €2291 for something approaching 40,000 paper cups in total. The invoices referred to the size of “reCUP” ordered in each case. Mr Lorenzi explained that Broderick Group Limited supply coffee vending machines in the UK. Some of the invoices suggested that the cups were further branded for onward customers e.g. Luca’s Kitchen and Bakery.

38. Mr Rousseau urged me not to dismiss the sales figures as low just because the product was cheap. I have not done so, but I must also bear in mind the size of the market as a whole and the likely impact upon it of selling 40,000 cups. Mr Lorenzi explained elsewhere in his

statement that the UK market was some 2.5 billion paper coffee cups per year. That indicates what a tiny proportion of the market the reCUP had achieved by the relevant date.

39. Further, no evidence was adduced from Cup Print to explain how the business in the UK had been won. Mr Rousseau submitted to me that the average consumer in this case was the branded cup supplier company, such as Vaio Pak or Broderick Group. No evidence was adduced from either of those companies or from any other company in their position to explain what goodwill could be attributed to the word reCUP as a result of the activities and sales of Cup Print or Party A prior to 28 January 2018.

40. Various articles from Packaging News in the period 2015-2017 had been exhibited but again no attempt had been made to assess their impact on the average consumer and these all pre-dated the acquisition of the goodwill in the UK. I appreciate that the Registry is meant to be a less formal jurisdiction than, say, the Chancery Division in terms of evidence, but the evidence submitted in this case by Party A as to activities prior to 28 January 2018 fell well short of what I consider would have been necessary to establish sufficient goodwill to maintain a claim of passing off.

41. This conclusion is fortified by the submissions of Party B relating to the distinctiveness of the sign in issue. Recup obviously alludes to a recycled, reusable or recyclable cup, and Party B adduced evidence that other entities around the world had sought to register it for similar goods around the same time. The element of descriptiveness in the sign sought to be used means that it will take longer to carry out sufficient trade with customers to establish sufficient goodwill in that sign so as to make it distinctive of Party A's goods."

23) I am also aware that, 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 goodwill and reputation may be small. In *Lumos Skincare Limited v Sweet Squared Limited and others* [2013] EWCA Civ 590, the Court of Appeal in England and Wales held that the defendant had passed off its LUMOS nail care products as the claimant's goods. The claimant had been selling LUMOS anti-ageing products since 2007. The goods retailed at prices between £40 and £100 per bottle. The Claimant's sales were small, of the order of £2,000 per quarter from early 2008 to September 2009, rising to £10,000 per quarter by September 2010. The vast majority of these sales were to the trade, including salons, clinics and a market. As at the relevant date (October 2010) the Claimant had sold

to 37 outlets and by that date it was still selling to 25 outlets. There was evidence of repeat purchases. Although the number of customers was small, or, as the judge at first instance put it, “*very limited*”, the claimant’s goodwill was found to be sufficient to entitle it to restrain the defendant’s trade under LUMOS.

24) In the instant case the evidence of use provided by the opponent is far from overwhelming. In fact it is somewhat scant in that whilst it states that the club is still active and has 5,200 paid up members the last documentary evidence of activity is from 2007. The evidence of events in the period 1954-2007 is consistent with a few events from each decade being shown. I note that the applicant has not disputed the fact that the club exists to the current date. Whilst the applicant contends that there were always two clubs his own evidence shows decals for both clubs / signs available from a single source. He has provided no evidence or indeed statements in his evidence to contradict the claims of the opponent save for the letter which is purported to have been sent by Mr Agg a former Director of the Lambretta concessionaires. I use the term purported advisedly as the signature on the letter bears absolutely no resemblance to the signature on Mr Agg’s will which is attested to by two independent witnesses. I therefore regard the letter filed by the applicant as a forgery, which undermines the credibility of his entire evidence and submissions. To my mind, the opponent has shown that as at the relevant date it had goodwill in the club under the sign BLOA in relation to club services, organising educational and entertainment events. Even if I were not of this opinion, I would have to accept that the evidence shows clearly, that events were organised in the decades between 1952 and 2007. The question would then be whether there was residual goodwill in the sign. I note that in the *Maslyukov v Diageo Distilling Ltd* (Dallas Dhu) case [2010] EWHC 443 (Ch) where Arnold J. stated:

“80 Counsel for Diageo submitted that the hearing officer in the present case had made the same error as the hearing officer in *Mary Wilson* of equating cessation of use with abandonment of goodwill. I agree with this. As indicated by the statements of the law I have quoted from *Kerly*, Professor Wadlow's book and *Ultraframe* , the test is whether the relevant business has been abandoned so as to destroy the goodwill. Mere cessation of business is not enough. Moreover, as *Mary Wilson* illustrates, cessation of production of goods or provision of services does not necessarily mean that there has been a cessation of business capable of sustaining goodwill, still a less a destruction of the existing goodwill.

81 In the present case I do not consider that the relevant business had been abandoned so as to destroy the goodwill. It is true that the distilleries were respectively turned into a museum and

destroyed, but Diageo did not liquidate the companies which owned the distilleries, still less was Diageo as a whole liquidated. On the contrary, Diageo has continued to produce whisky, including single malt Scotch whisky, on a substantial scale. The goodwill which Diageo owned in the trade marks DALLAS DHU and PITYVAICH as at the date when the distilleries ceased production was not destroyed. On the contrary, the goodwill was sustained by further sales of whisky by the independent bottlers, in much the same way as the goodwill in THE SUPREMES was sustained by further sales of records by Motown. In any event, the existing goodwill remained an asset of Diageo to exploit as it saw fit. For example, Diageo could if it saw fit build a new distillery at Pityvaich.

82 Accordingly, I consider that the hearing officer was wrong to conclude that Diageo did not own any goodwill in the DALLAS DHU and PITYVAICH trade marks.”

25) In the instant case there has been no abandonment of the business, the club is still ongoing with a healthy membership. Even if the events ceased in 2007 the continuance of the club to the present date would mean that should its members wish, it could revive its events at any time. The opponent therefore easily clears the first hurdle of goodwill.

26) I next turn to consider the issue of misrepresentation. 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.”

27) In *Lumos Skincare Limited v Sweet Squared Limited and others* [2013] EWCA Civ 590, Lord Justice Lloyd commented on the paragraph above as follows:

“64. One point which emerges clearly from what was said in that case, both by Jacob J and by the Court of Appeal, is that the “substantial number” of people who have been or would be misled by the Defendant’s use of the mark, if the Claimant is to succeed, is not to be assessed in absolute numbers, nor is it applied to the public in general. It is a substantial number of the Claimant’s actual or potential customers. If those customers, actual or potential, are small in number, because of the nature or extent of the Claimant’s business, then the substantial number will also be proportionately small.”

28) Accordingly, once it has been established that the party relying on the existence of an earlier right under section 5(4)(a) had sufficient goodwill at the relevant date to found a passing-off claim, the likelihood that only a relatively small number of persons would be likely to be deceived does not mean that the case must fail. There will be a misrepresentation if a substantial number of customers, or potential customers, of the claimant’s actual business would be likely to be deceived. I also note that it is the plaintiff’s (opponent’s) customers or potential customers that must be deceived. In *Neutrogena Corporation and Another v Golden Limited and Another*, 1996] RPC 473, Morritt L.J. stated that:

“This is the proposition clearly expressed by the judge in the first passage from his judgment which I quoted earlier. There he explained that the test was whether a substantial number of the plaintiff’s customers or potential customers had been deceived for there to be a real effect on the plaintiff’s trade or goodwill.”

29) Given that the signs and services of the two parties are identical and that they are aimed at exactly the same customers (owners of Lambretta scooters) there will be misrepresentation.

30) Lastly, I turn to the issue of damage. In the instant case the opponent has not provided any evidence of damage, but I also take into account the absence of activity by the applicant so the case is a *quia timet* action and damage can be inferred. I take the view that in the instant case use of the applicant's sign in relation to the class 41 services applied for will inevitably cause damage.

31) The opposition under section 5(4)(a) succeeds in full.

32) I now turn to consider the ground of opposition based upon section 3(6) which reads:

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

33) 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* [2012] EWHC 1929 (Ch), as follows:

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

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

132. Secondly, although the relevant date is the application date, later evidence is relevant if it casts light backwards on the position as at the application date: see *Hotel Cipriani Srl v Cipriani (Grosvenor Street) Ltd* [2008] EWHC 3032 (Ch), [2009] RPC 9 at [167] and cf. Case C-259/02 *La Mer Technology Inc v Laboratoires Goemar SA* [2004] ECR I-1159 at [31] and Case C-192/03 *Alcon Inc v OHIM* [2004] ECR I-8993 at [41].

133. Thirdly, a person is presumed to have acted in good faith unless the contrary is proved. An allegation of bad faith is a serious allegation which must be distinctly proved. The standard of proof is on the balance of probabilities but cogent evidence is required due to the seriousness of the allegation. It is not enough to prove facts which are also consistent with good faith: see *BRUTT Trade Marks* [2007] RPC 19 at [29], *von Rossum v Heinrich Mack Nachf. GmbH & Co KG* (Case R 336/207-2, OHIM Second Board of Appeal, 13 November 2007) at [22] and *Funke Kunststoffe GmbH v Astral Property Pty Ltd* (Case R 1621/2006-4, OHIM Fourth Board of Appeal, 21 December 2009) at [22].

134. Fourthly, bad faith includes not only dishonesty, but also "some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined": see *Gromax 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)."

34) I also note that in the *Chocoladefabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH*, Case C-529/07, the CJEU stated that:

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

47. In such a case, the applicant's sole aim in taking advantage of the rights conferred by a Community trade mark might be to compete unfairly with a competitor who is using the sign

which, because of characteristics of its own, has by that time obtained some degree of legal protection.

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

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

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

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

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

35) This ground was pursued on the basis that Mr Frankland was a member of LCGB and was aware of the joint use of the marks LCGB and BLOA by the opponent. They contend he was aware of the reputation and goodwill that the opponent had in both marks having used them jointly since the mid-sixties. I note that in his evidence Mr Frankland did not dispute the claim that he was a member of the LCGB/BLOA. He maintains that there were two clubs, even though his own evidence shows that decals for both were being sold through the one club. Mr Frankland claims that a director of Lambretta concessionaires, which funded the starting up of the club in 1953, had given him permission to use

the name. Unfortunately I have determined that the letter is clearly a forgery as the signatures on the documents supplied by Mr Frankland do not match an original letter from the same director or that director's will which was witnessed by two independent witnesses and accepted by the relevant authorities as a legal document. Mr Frankland's evidence is therefore undermined. In my opinion he was a member of the club for a number of years before falling out with the officers of the club and decided to try to register the mark as a way of seeking revenge upon the club. Mr Frankland's behaviour in this case falls short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined. **The application was made in bad faith and the ground of opposition under section 3(6) succeeds in full.**

36) As the opponent has been successful under both section 5(4)(a) and 3(6) I do not need to consider the other grounds of opposition.

CONCLUSION

37) The opposition under Section 5(4)(a) and 3(6) succeeds in full.

COSTS

38) As the opponent has been successful it is entitled to a contribution towards its costs. Although represented by a professional law firm, the opponent provided a cost proforma which is only designed for use by those representing themselves.

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| Preparing a statement and considering the other side's statement | £200 |
| Expenses | £200 |
| Preparing evidence | £500 |
| Submissions | £300 |
| TOTAL | £1200 |

39) I order Mr Frankland to pay the Lambretta Club of Great Britain the sum of £1200. This sum is to be paid within twenty-one days of the expiry of the appeal period or within twenty-one days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 13th day of October 2021

George W Salthouse

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