

**O/0236/23**

**TRADE MARKS ACT 1994**

**TRADE MARK REGISTRATION 913406343**

**IN THE NAME OF FORMOSAN IP**

**AND**

**APPLICATION 504166 BY DANJAQ, LLC**

**AND METRO-GOLDWYN-MAYER STUDIOS, INC.**

**FOR THE INVALIDATION OF THE TRADE MARK 'SHAKEN, NOT STIRRED'**

## Background and pleadings

1. This is an application by Danjaq, LLC, and Metro-Goldwyn-Mayer Studios, Inc. (“the applicants”) to invalidate a trade mark registered in the name of Formosan IP (“the registered proprietor”).

2. The trade mark consists of the words **Shaken, not stirred**. The mark is registered in relation to the following goods/services:

Class 30: Coffee, teas and cocoa and substitutes therefor.

Class 32: Beer and brewery products; Non-alcoholic beverages; Preparations for making beverages.

Class 43: Provision of food and drink.

3. The contested trade mark started its life as an EU trade mark. The application to register the mark was filed at the EUIPO on 27<sup>th</sup> October 2014. The mark was registered on 17<sup>th</sup> November 2017. Following the UK’s withdrawal from the EU the contested UK mark was created as a ‘comparable mark’ in accordance with the EU Withdrawal Act. This means it is treated as though it was applied for and registered in the UK.

4. The application to invalidate the contested mark was originally filed on 20<sup>th</sup> September 2021. At that time, the sole ground for invalidation was based on sections 47(1) and 3(6) of the Trade Marks Act 1994 (“the Act”). These are as follows:

*“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).*

*Where the trade mark was registered in breach of subsection (1)(b), (c) or (d) of that section, it shall not be declared invalid if, in consequence of the use which has been made of it, it has after registration acquired a distinctive character in relation to the goods or services for which it is registered.”*

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

5. The applicants' grounds for claiming the application to register the trade mark was filed in bad faith are, in summary, as follows:

- (a) The phrase *Shaken, not stirred* is used to describe the way the fictional character James Bond prefers his favourite drink, vodka martini;
- (b) The phrase was first used in 1962 in a film called Dr No;
- (c) It has subsequently been used in numerous James Bond films and has become a memorable catchphrase associated with the character;
- (d) The registered proprietor appears to be an IP holding company associated with a tea business in Oxford called Formosan;
- (e) The registered proprietor must have known about the James Bond series of films when it made the application to register the contested mark;
- (f) Formosan's website states that it allows its customers to enjoy their drinks 'shaken' and this involves some 'fun' gadgets (which the opponent says is reference to the use gadgets in James Bond films);
- (g) Tea is not a beverage which consumers usually enjoy 'shaken, not stirred';
- (h) The registered proprietor must have been aware that the public would associate the goods/services provided under the contested mark with the James Bond series of films;
- (i) By registering the mark, the registered proprietor acted dishonestly and fell short of acceptable standards of commercial behaviour.

6. On 13<sup>th</sup> December 2021, the registered proprietor filed a counterstatement denying the ground for invalidation. I note the registered proprietor made the following points:

- (a) Use of a phrase in one business sector does not show that the user owns that phrase in another business sector;

(b) Nor does it show that the user created the phrase;

(c) These points had been established in this very matter through an earlier [unspecified] European legal case.

7. The registered proprietor also stated that:

*“Our registered and used trademark "Shaken, not stirred" perfectly describes the preparation of our bubble tea, by shaking tea to create froth, breaking the particles, to enhance the taste of the tea, rather than just adding a few ice cubes with the mix of ingredients, as is common practice among our competitors.*

*For this very purpose, since the day we opened our doors to customers, we have used specially built shaking machines to ensure the quality and consistency of our product preparation (shaking). We believe that this taste enhancement could not be achieved by stirring. All our teas are shaken. From the very beginning, we have never stirred our teas. This is the unique selling point (USP) of Formosan teas and deserves to be used as a trademark; as such, it clearly requires protection within our business sector, and the classes selected.”*

8. On 17<sup>th</sup> March 2022, the applicants applied to add further grounds for invalidation based sections 3(1)(b) and (c) of the Act, which are as follows:

*“3. - (1) The following shall not be registered -*

*(a) signs which do not satisfy the requirements of section 1(1),*

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

*(c) 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,*

*(d) -*

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

9. According to the applicants, the registered proprietor's counterstatement admitted that the contested mark was descriptive of the goods for which it is registered. Therefore, the mark should be cancelled on the grounds it describes a characteristic of the goods/services and/or is devoid of any distinctive character.

10. The registered proprietor did not contest the application to add further grounds to the application for invalidation.

11. The applicants filed an amended application for invalidation on 7<sup>th</sup> April 2022.

12. On 2<sup>nd</sup> June 2022, the registered proprietor filed an amended counterstatement in which it denied the additional grounds for invalidation. The gist of the registered proprietor's defence is evident from the following extract:

*"34 -- Far from being an admission of invalidity, our accurate and forthright description of our rationale, in seeking to protect our unique market position with our trademarked brand slogan, only serves to further establish the validity of our Mark. A thorough defence description of our preparation process was only necessary to elucidate our specific uniqueness from our competitors, who do not offer frothy (shaken) teas in the tradition Taiwanese style, but only multicoloured tapioca balls, which are referred to, in English, as "bubbles."*

*This confusion between tapioca "bubbles" and frothy (shaken) traditionally prepared Taiwanese tea is unique to the English language and does not exist in Taiwanese, which does not confuse tapioca balls with either air-bubbles or froth. This fundamental opacity led to our inspired brand slogan trademark, as an excellent way to cut through the advertising din of the local marketplace and stamp our own unique seal upon the word "Shaken" in this specific context.*

*35 -- Pursuant to the rationale established in our rebuttal to Point 34, it was vital for us to make a clear distinction between our frothy air-bubbles and the merely*

*tapioca "bubbles" of our competitors, in a light-hearted, catchy, and humorous manner.*

## **Representation**

13. The applicants are represented by Allen & Overy LLP. The registered proprietor is not legally represented.

14. A hearing took place on 16<sup>th</sup> January 2023 at which the applicants were represented by Mr David Stone of Allen & Overy. The registered proprietor was not represented.

15. On 12<sup>th</sup> January, the registrar received an email from Mr Seweryn Wojewoda who is (or was – see below) a director of Formosan IP Ltd. Mr Wojewoda said that the applicants' representatives had recently pointed out to him that Formosan IP Ltd had been struck off the register of companies and dissolved on 22<sup>nd</sup> March 2022. Mr Wojewoda said that he was unaware of this. He intended to apply to have the company restored to the register. In any event, he was in Taiwan on business and could not take part in the scheduled hearing. He therefore (tentatively) requested a postponement.

16. The parties were notified the hearing date on 25<sup>th</sup> November 2022. No request was made to change the date until 3 working days prior to the hearing. According to Mr Wojewoda, he only became aware that the registered proprietor had been dissolved shortly before that. Mr Wojewoda was abroad at the time and could not, or was not prepared to, return to the UK for the hearing. Nor had he notified the IPO that he would take part remotely, as the applicants' representatives did. It therefore appears that, prior to learning of the registered proprietor's dissolution, he had decided not to take part in the hearing. In my view, the circumstances did not justify his last minute request for a postponement of the hearing.

## **The applicants' application for a default judgment in its favour**

17. Shortly before the hearing, the applicants made an application for a default decision in their favour because of the dissolution of the registered proprietor. The effect of the dissolution is that the undistributed assets of the registered proprietor,

including the contested trade mark, became the property of the Crown on 22<sup>nd</sup> March 2022. The Government Legal Service, which manages such *bona vacantia* assets, had not been informed about the hearing. Consequently, it would have been inappropriate to invalidate the trade mark without giving the Crown the opportunity to step in as the new proprietor in order to defend the trade mark.

18. Mr Stone recognised this. However, he submitted that the applicants' application should still succeed by default under Rule 41(5) and (6) of the Trade Mark Rules 2008, which state:

*“(5) The registrar shall send a copy of Form TM26(I) and the statement of the grounds on which the application is made to the proprietor.*

*(6) The proprietor shall, within two months of the date on which a copy of Form TM26(I) and the statement was sent by the registrar, file a Form TM8, which shall include a counter-statement, otherwise the registrar may treat the proprietor as not opposing the application and registration of the mark shall, unless the registrar otherwise directs, be declared invalid.”*

19. Mr Stone's case was that:

- (i) The registered proprietor filed a counterstatement in accordance with Rule 41(6) on 13<sup>th</sup> December 2021 denying the original ground for invalidation based on bad faith
- (ii) The registered proprietor had been dissolved by the time it filed an amended counterstatement on 2<sup>nd</sup> June 2022 denying the additional section 3(1)(b) and (c) grounds;
- (iii) Consequently, *“the proprietor”* had not filed a counterstatement denying those grounds and the registrar should, therefore, treat the proprietor as not opposing those grounds and declare the registration invalid.

20. I rejected this application. My reasons are:

- (i) Although it is true that *“the proprietor”* did not exist when it filed a counterstatement denying the additional grounds for invalidation, it is

possible under company law for the registered proprietor, or a third party, to apply to have the company restored to the register;

- (ii) The effect of such a restoration would be to restore the company's assets and to treat the company as having been extant at all relevant times;
- (iii) Consequently, as I think the applicants accept, it would be inappropriate to issue a default decision until it becomes clear whether an application for restoration has been made and, if so, determined;
- (iv) In any event, at the time the amended application for invalidation was served on the registered proprietor (on 19<sup>th</sup> April 2022), the company had been dissolved and the proprietor of the trade mark was the Crown;
- (v) Therefore, the current proprietor of the contested mark (i.e. the Crown) has not been given the opportunity to defend it against the additional grounds for invalidation.

21. I decided to proceed as follows:

1. The Crown would be notified about the existence of these proceedings and given an opportunity to take over the defence of the trade mark as the current legal owner of the property;
2. For the benefit of all interested parties, I would make a decision on the merits of the application for invalidation based on the pleadings, the evidence before me, and the applicant's arguments;
3. If I decided the application is without merit, I would direct that the trade mark should not be declared invalid, and the applicants' application would be rejected;
4. The applicants having been heard, and there being no prejudice to the registered proprietor or the Crown, this would be a final decision of the registrar;



5. If, on the other hand, I were minded to invalidate the trade mark on any of the grounds put forward, I would issue a preliminary decision to this effect and suspend the proceedings until it became clear whether the registered proprietor will be restored, or the Crown wishes to become a party to the proceedings.

### **The evidence**

22. The applicants' evidence consist of witness statements by Messrs David Stone (with 6 exhibits), R. Holland Campbell (with 11 exhibits) and Ms Pamela Reynolds (with 1 exhibit). As already noted, Mr Stone is the applicants' legal representative in these proceedings. Mr Campbell and Ms Reynolds are Executive Vice Presidents of Metro-Goldwyn-Mayer Studios, Inc. ("MGM")

23. The main purpose of Mr Campbell's evidence is to show that:

- (i) MGM and its subsidiaries distributed 25 JAMES BOND films between 1962 and 2021;
- (ii) MGM and Danjaq, LLC jointly own the copyright in these films;
- (iii) Danjaq, LLC owns the registered and unregistered marks associated with the films, including the unregistered UK trade mark SHAKEN, NOT STIRRED;
- (iv) The JAMES BOND films are extremely well known throughout the world, including the UK;
- (v) The term 'shaken, not stirred' was first used in the film Dr No. in 1962 to described the way the James Bond character prefers his vodka martini, and it has been used in subsequent films;
- (vi) The term has become a famous catchphrase of the James Bond character;
- (vii) Consumers in the UK understand that 'shaken, not stirred' is a clear reference to James Bond and the JAMES BOND series of films.

24. The purpose of Ms Reynolds evidence is to show that the applicants have used 'shaken, not stirred' outside the JAMES BOND series of films through a licensing and merchandising programme, which includes beverages.

25. The purpose of Mr Stone's evidence is to show that 'shaken' is a term used by Formosan, its competitors, and consumers, to describe a method of preparing certain teas.

26. The registered proprietor's evidence consists of a witness statement by Mr Seweryn Wojewoda dated 20<sup>th</sup> August 2022. The registered proprietor had been dissolved by then, so strictly speaking no evidence has been filed on its behalf. In any event, there is limited factual material in Mr Wojewoda's statement: most of it is argument. He does, however, say a bit about why the registered proprietor adopted the mark. This is still relevant and I will take it into account.

### **Decision on the sections 47(1) and 3(6) 'bad faith' ground for invalidation**

#### The law

27. In *Sky Limited & Ors v Skykick, UK Ltd & Ors*, [2021] EWCA Civ 1121 the Court of Appeal considered the case law from *Chocoladefabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH*, Case C-529/07, *Malaysia Dairy Industries Pte. Ltd v Ankenævnetfor Patenter Varemærker* Case C-320/12, *Koton Mağazacılık Tekstil Sanayi ve Ticaret AŞ*, Case C-104/18 P, *Hasbro, Inc. v EUIPO, Kreativni Dogaaji d.o.o. intervening*, Case T-663/19, *pelicantravel.com s.r.o. v OHIM, Pelikan Vertriebsgesellschaft mbH & Co KG (intervening)*, Case T-136/11, and *Psytech International Ltd v OHIM, Institute for Personality & Ability Testing, Inc (intervening)*, Case T-507/08. The Court of Appeal summarised the law as follows:

*"1. The allegation that a trade mark has been applied for in bad faith is one of the absolute grounds for invalidity of an EU trade mark which can be relied on before the EUIPO or by means of a counterclaim in infringement proceedings: Lindt at [34].*

*2. Bad faith is an autonomous concept of EU trade mark law which must be given a uniform interpretation in the EU: Malaysia Dairy Industries at [29].*

3. *The concept of bad faith presupposes the existence of a dishonest state of mind or intention, but dishonesty is to be understood in the context of trade mark law, i.e. the course of trade and having regard to the objectives of the law namely the establishment and functioning of the internal market, contributing to the system of undistorted competition in the Union, in which each undertaking must, in order to attract and retain customers by the quality of its goods or services, be able to have registered as trade marks signs which enable the consumer, without any possibility of confusion, to distinguish those goods or services from others which have a different origin: Lindt at [45]; Koton Mağazacılık at [45].*

4. *The concept of bad faith, so understood, relates to a subjective motivation on the part of the trade mark applicant, namely a dishonest intention or other sinister motive. It involves conduct which departs from accepted standards of ethical behaviour or honest commercial and business practices: Hasbro at [41].*

5. *The date for assessment of bad faith is the time of filing the application: Lindt at [35].*

6. *It is for the party alleging bad faith to prove it: good faith is presumed until the contrary is proved: Pelikan at [21] and [40].*

7. *Where the court or tribunal finds that the objective circumstances of a particular case raise a rebuttable presumption of lack of good faith, it is for the applicant to provide a plausible explanation of the objectives and commercial logic pursued by the application: Hasbro at [42].*

8. *Whether the applicant was acting in bad faith must be the subject of an overall assessment, taking into account all the factors relevant to the particular case: Lindt at [37].*

9. *For that purpose it is necessary to examine the applicant's intention at the time the mark was filed, which is a subjective factor which must be determined by reference to the objective circumstances of the particular case: Lindt at [41] – [42].*

10. *Even where there exist objective indicia pointing towards bad faith, however, it cannot be excluded that the applicant's objective was in pursuit of a legitimate objective, such as excluding copyists: Lindt at [49].*

11. *Bad faith can be established even in cases where no third party is specifically targeted, if the applicant's intention was to obtain the mark for purposes other than those falling within the functions of a trade mark: Koton Mağazacılık at [46].*

12. *It is relevant to consider the extent of the reputation enjoyed by the sign at the time when the application was filed: the extent of that reputation may justify the applicant's interest in seeking wider legal protection for its sign: Lindt at [51] to [52].*"

28. In accordance with point 5 in the paragraph above, the relevant date for assessing bad faith is the date of the application to register what is now a comparable mark, i.e. 27<sup>th</sup> October 2014.

29. The timeline included in Mr Campbell's evidence suggests that the term 'shaken, not stirred' was used regularly in JAMES BOND films between 1962 and 1995. Between 1995 and 2014, the applicants can only rely on an oblique reference to the term in *Die Another Day* in 2002 (where bond says "*luckily I asked for it shaken*"), and an even more oblique reminder of the term in the film *Skyfall* in 2011, in which a waiter is merely seen shaking Bond's martini. Use of the term resumed in *Spectre* in 2015, but this was after the relevant date and cannot therefore have affected the public's perception of the term in 2014. Despite the paucity of use between 1995 and 2015, the term appears to have been retained in the public's consciousness up until 2014. References to it continued to appear in the UK media.<sup>1</sup> I therefore accept that the term 'shaken, not stirred' was widely associated with the James Bond character at the relevant date.

30. In attempting to establish a *prima facie* case of bad faith (per point 7 in the list at paragraph 26 above), Mr Stone drew my attention to the guidance given by Carr J. in

---

<sup>1</sup> The Telegraph of 16<sup>th</sup> December 2014 included an article including "*Everyone knows James Bond loves a martini. And that it needs to be shaken, not stirred. But has 007's martini order always been that simple?*"

paragraph 85(i) of his judgment in *Trump International Limited v DTTM Operations LLC v Comptroller General of Patents, Designs and Trade Marks*.<sup>2</sup> The judge stated that:

*“85. In these circumstances, the Registrar seeks guidance from the Court as to how the IPO should deal with such applications in the future. Whilst the decisions discussed in this judgment suggest that the IPO is applying the correct approach, the following may be of some assistance:*

*i) Where an application is made for a well-known trade mark with which the applicant has no apparent connection, this requires explanation and justification by the applicant;*

*(ii) ....”*

31. Mr Stone submitted that the facts in this case fell within this guidance: the applicant applied to register a well-known mark with which it had no connection.

32. In my view, the facts in this case should be distinguished from those in the *Trump International* case in two important respects. Firstly, the background circumstances are entirely different. The “*circumstances*” the judge was referring to were set out in the previous paragraph of his judgment. They were that companies controlled by the person cited in the judgment had applied for many 100s of UK trade marks and were involved in 5% of all the contested proceedings before the UKIPO. Multiple costs orders made against the companies concerned were recorded as unpaid. In short, the background suggested there was serial abuse of the registration system. The circumstances in this case are entirely different. The registered proprietor is not accused of making trade mark applications on an industrial scale in order to game the system. Further, on the applicants’ own evidence, the contested trade mark appears to be used by a business related to the registered proprietor. Therefore, there is nothing inherently suspicious about the application which led to the contested registration.

---

<sup>2</sup> [2019] EWHC 769 (Ch)

33. Secondly, the judge was concerned about applications to register well-known marks. The evidence indicates that 'shaken, not stirred' is a catchphrase of James Bond. The evidence that it is also a trade mark is vanishingly thin. Mr Stone told me that Danjaq, LLC had registered the term as an EU trade mark. However, the applications for registration were made in 2016, two years after the relevant date. There is no evidence that Danjaq or MGM had registered the term as a trade mark anywhere prior to then. Consequently, even if registration of the term as a trade mark is capable of affecting the public's perception of what 'shaken, not stirred' is, the registrations are too late to be relevant.

34. In *Reckitt and Colman Products Limited v Borden Inc.*<sup>3</sup>, Lord Oliver stated that:

*"The law of passing off can be summarised in one short general proposition - no man may pass off his goods as those of another. More specifically, it may be expressed in terms of the elements which the plaintiff in such an action has to prove in order to succeed. These are three in number. First, he must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying "get-up" (whether it consists simply of a brand name or a trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff's goods or services. Secondly, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by him are the goods or services of the plaintiff. Whether the public is aware of the plaintiff's identity as the manufacturer or supplier of the goods or services is immaterial, as long as they are identified with a particular source which is in fact the plaintiff. For example, if the public is accustomed to rely upon a particular brand name in purchasing goods of a particular description, it matters not at all that there is little or no public awareness of the identity of the proprietor of the brand name. Thirdly, he must demonstrate that he suffers or, in a quia timet action, that he is likely to suffer damage by reason of the erroneous belief engendered by the defendant's misrepresentation that*

---

<sup>3</sup> [1990] UKHL 12

*the source of the defendant's goods or services is the same as the source of those offered by the plaintiff."*

35. If 'shaken, not stirred' is an unregistered trade mark, it is necessary to identify the goods or services for which it is distinctive. The applicants have not specifically done this. If it is film entertainment services, the applicants face the difficulty that the phrase has never been used to distinguish the films of a particular undertaking. All that can be said is that the term is a catchphrase associated with the principal character in the JAMES BOND films. That does not mean that the public regard the phrase as necessarily distinctive of film services (as opposed to the character). It is true that the law of passing off has been extended to cover false endorsement and character merchandising.<sup>4</sup> However, the mark at issue in this case is not even the name of a fictional character, but merely a term associated with the character. I am unaware of any case law (and none has been drawn to my attention) in which the law of passing off has successfully used to protect terms used merely as a catchphrase of a fictional character.

36. The only conceivable way in which the applicants' use of 'shaken, not stirred' could be regarded as trade mark use is if the effect of it was that (1) use of the term by a third party would create the impression they are licensed by the applicants, and (2) the effect of such a misconception would influence consumers in their decision to purchase the goods/services.

37. Considered simply as a catchphrase used by James Bond, it is, in my view, farfetched to imagine that any significant proportion of the public would regard the use of 'shaken, not stirred' by Formosan as indicating the existence of a licence from the undertaking(s) responsible for the JAMES BOND films. This is particularly so when the term is used in relation to tea, which has no association with the fictional character in question.

38. Ms Reynolds' evidence is an attempt to show that the applicants used, or licensed the use of, 'shaken, not stirred' outside the JAMES BOND series of films through a licensing and merchandising programme. Her evidence is very brief. It shows use of 'Shaken, not stirred' on a bottle of Smirnoff vodka, and on several items for sale on

---

<sup>4</sup> See paragraphs 2-270 and 7-280 of Wadlow on the Law of Passing-Off 6th Ed.

the website of the 007 online merchandise store, including a mug, martini truffles and a coin.<sup>5</sup> None of this material is dated. Ms Reynolds says nothing about when the licensing and merchandising programme began. Consequently, there is no evidence that it even existed at the relevant date. It follows that the applicants have not shown that such trading had (by that date) modified the public's perception of 'shaken, not stirred' into something more than just a well-known catchphrase used by the James Bond character.

39. This distinguishes this case from another case mentioned by the applicants in its application for invalidation, *Jules Rimet Cup Limited v The Football Association Limited*.<sup>6</sup> The High Court found that the latter had a passing off right in the name of the mascot used for the 1966 football World Cup, i.e. World Cup Willie. The evidence indicated that there had been an extensive licensing operation around the time of this World Cup. The judge held that The Football Association owned the goodwill generated through these licensing activities. By contrast, and as already noted, there is no evidence in this case that a licensing operation existed prior to the relevant date. The *Jules Rimet* case can be distinguished from this case in another respect: The Football Association owned the copyright in the drawings of the World Cup Willie character. This would have made it easier to show that the public would be open to the suggestion that use of the name and images of the character were likely to be licensed by the copyright owner.<sup>7</sup> By contrast, there is no copyright claimed in the words 'shaken, not stirred'. Indeed, it seems unlikely that the applicants can even claim to have coined the term.

40. I asked Mr Stone at the hearing why the applicants chose to run what looks like a passing off right case as a case of bad faith. This seemed odd because section 5(4)(a) of the Act makes specific provision for earlier passing off rights. He thanked me and said he would consider adding that ground if there was a further round of proceedings. I then asked him about the references in the registered proprietor's counterstatement to a European legal case. It emerged that Danjaq opposed the EUTM application which gave rise to this comparable trade mark on the grounds that 'shaken, not stirred' was an earlier unregistered UK trade mark. The EUIPO's opposition division rejected

---

<sup>5</sup> See exhibit PR-1

<sup>6</sup> [2007] EWHC 2376 (CH)

<sup>7</sup> See *Mirage Studios and Others v Counter-Feat Clothing Company Limited* [1991] FSR 145



the opposition on the grounds that the opponent had not shown that ‘shaken, not stirred’ was an unregistered trade mark. This decision was upheld by the Board of Appeal.<sup>8</sup> A further appeal to the EU’s General Court was withdrawn.

41. I note that part of Danjaq’s case on appeal was that a sign did not have to be used as a trade mark in order to qualify for protection in the UK under the law of passing off. The Board of Appeal rejected this aspect of the appeal pointing out that the opponent itself had identified the nature of its earlier right as an unregistered trade mark. To the extent that the applicants base their bad faith case on ‘shaken, not stirred’ being a well-known mark (by analogy with TRUMP INTERNATIONAL), it is essentially running the same case that Danjaq ran against the EUTM. This time on the alternative legal basis that the registered proprietor applied to the EUIPO in bad faith.

42. Opposition proceedings do not give rise to an estoppel.<sup>9</sup> So there is no legal bar to re-running the same factual claims in support of a new (or even the same) legal ground in an application for invalidation.<sup>10</sup> In the event, I agree with the EUIPO and have come to the same conclusion on the factual matter of whether Danjaq (or MGM) had an earlier unregistered trade mark in the UK at the relevant date.

43. Mr Stone pointed out that the applicants did not have to show that they possessed an earlier legal right to the words ‘shaken, not stirred’ in order to establish that the registered proprietor applied to register the mark in bad faith. In this connection, my attention was drawn to the decision of Mr Geoffrey Hobbs QC as the Appointed Person in *Fianna Fail and Fine Gael v Patrick Melly*.<sup>11</sup> Mr Hobbs found that an intention to feed off the reputation associated with well known (non-trade mark) names amounted to bad faith on the facts of that case. The names in question were those of political parties in the Irish Republic. The applicant had no connection with them. He had applied, either in his own name, or that of the companies he had incorporated (Fiana fail Ltd and Fiana Gael Ltd), to register the names of the political parties as UK and

---

<sup>8</sup> R 255/2016-4

<sup>9</sup> *Special Effects Ltd v L’Oreal SA and Another* [2007] EWCA Civ 1.

<sup>10</sup> However, bringing a second application for cancellation on grounds not raised in an earlier such application may constitute an abuse of process: *Hormel Foods Corp v Antilles Landscape Investments NV*, [2005] EWHC, 13 (Ch)

<sup>11</sup> [2008] ETMR 41

EU trade marks. He had then offered the political parties concerned a licence to use his trade marks. Mr Hobbs stated:

*“58. ....The applicant targeted the opponent organisations and took their names for the purpose of registering them in furtherance of his objectives. His strategy was leech like in its effort to fasten upon and feed off the distinctive character and repute of the names. I can see from what the applicant has written that he believed their names were open and available for registration in the United Kingdom on a first come, first served basis. I suspect that he also regarded registration of their names as a suitable way of pursuing a beneficial solution so far as his political wishes were concerned. Even so his subjective perceptions cannot, in my view, excuse or justify his conduct in connection with the disputed applications for registration. I am satisfied that his conduct in that connection should be regarded as improper for having been embarked upon in bad faith within the grasp of that objection as set out above. I therefore uphold the opponents’ appeals and objections under Section 3(6) with the result that the disputed applications for registration will be refused in their entirety”.*

44. I accept that it is not necessary to establish the existence of an earlier legal right to a trade mark in order to make out a case of bad faith. However, cases of bad faith are particularly fact sensitive. In my view, the facts in the *Melly* case are far removed from the facts in this case. The contested mark is not the name of an organisation. The registered proprietor has not sought to licence that name to the party concerned. On the contrary, the mark is being used as branding by a business apparently related to the registered proprietor. I therefore find the *Melly* case offers little guidance as to the correct outcome of the applicants’ bad faith allegation.

45. Turning back to the facts of this case, I accept that the registered proprietor was likely to have been well aware that ‘shaken, not stirred’ was a term used by the fictional character James Bond to describe the way he prefers his vodka martini. I also accept that the registered proprietor would have known that this term was widely associated by the public with James Bond.

46. With these findings in mind, I turn to the key questions for determination in a claim of bad faith:<sup>12</sup>

*What, in concrete terms, was the objective that the applicant has been accused of pursuing?*

47. The registered proprietor is essentially accused of exploiting the efforts the applicant and others have put into popularising the JAMES BOND films, which have resulted in the term 'shaken, not stirred' becoming associated with the fictional spy and his suave image.

*Was that an objective for the purposes of which the contested application could not be properly filed?*

48. In the absence of any legal rights to the term, and bearing in mind:

(1) the nature of the sign as a catchphrase of a fictional character (as opposed to, for example, the name of an organisation or business), and

(2) that none of the goods/services covered by the registration are specifically associated with James Bond (such as vodka/martini), and

(3) there is no evidence that the applicants operated a merchandising business involving the sale of Shaken, Not Stirred merchandise prior to the relevant date;

I do not consider that the applicant has shown that the purpose was improper.

*Was it established that the contested application was filed in pursuit of that objective?*

49. Yes, but unless it was an improper purpose this does not matter.

#### Conclusion on bad faith case

50. The applicants have not established even a *prima facie* case of bad faith for the registered proprietor to answer. The case for invalidation based on section 3(6) of the Act therefore fails for the reasons set out above.

---

<sup>12</sup> Per Mr Daniel Alexander QC, as Appointed Person, in Trade Mark, BL O/036/18

## **Decision on the sections 47(1) and 3(1)(b) and (c) (non-distinctiveness) grounds for invalidation**

51. The case law under section 3(1)(c) of the Act (corresponding to article 7(1)(c) of the EUTM Regulation) was set out by Arnold J. (as he then was) in *Starbucks (HK) Ltd v British Sky Broadcasting Group Plc*<sup>13</sup> as follows:<sup>14</sup>

*“91. The principles to be applied under art.7(1)(c) of the CTM Regulation were conveniently summarised by the CJEU in *Agencja Wydawnicza Technopol sp. z o.o. v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) (C-51/10 P) [2011] E.T.M.R. 34* as follows:*

*“31 – 35 -*

*36. ... due account must be taken of the objective pursued by Article 7(1)(c) of Regulation No 40/94 . Each of the grounds for refusal listed in Article 7(1) must be interpreted in the light of the general interest underlying it.*

*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.*

*38. With a view to ensuring that that objective of free use is fully met, the Court has stated that, in order for OHIM to refuse to register a sign on the basis of Article 7(1)(c) of Regulation No 40/94 , it is not necessary that the sign in question actually be in use at the time of the application for registration in a way that is descriptive. It is sufficient that the sign could be used for such purposes.*

---

<sup>13</sup> [2012] EWHC 3074 (Ch)

<sup>14</sup> With certain paragraphs and internal references omitted

39. *By the same token, the Court has stated that the application of that ground for refusal does not depend on there being a real, current or serious need to leave a sign or indication free and that it is therefore of no relevance to know the number of competitors who have an interest, or who might have an interest, in using the sign in question. It is, furthermore, irrelevant whether there are other, more usual, signs than that at issue for designating the same characteristics of the goods or services referred to in the application for registration.*

40 – 47 -

48. *In those circumstances, it is important for the correct application of Article 7(1) of Regulation No 40/94 to ensure that the ground for refusal set out in Article 7(1)(c) of that regulation duly continues to be applied only to the situations specifically covered by that ground for refusal.*

49. *The situations specifically covered by Article 7(1)(c) of Regulation No.40/94 are those in which the sign in respect of which registration as a mark is sought is capable of designating a ‘characteristic’ of the goods or services referred to in the application. By using, in Article 7(1)(c) of Regulation No 40/94 , the terms ‘the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service, or other characteristics of the goods or service’, the legislature made it clear, first, that the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service must all be regarded as characteristics of goods or services and, secondly, that that list is not exhaustive, since any other characteristics of goods or services may also be taken into account.*

50. *The fact that the legislature chose to use the word ‘characteristic’ highlights the fact that the signs referred to in Article 7(1)(c) of Regulation No 40/94 are merely those which serve to designate a property, easily recognisable by the relevant class of persons, of the*

*goods or the services in respect of which registration is sought. As the Court has pointed out, a sign can be refused registration on the basis of Article 7(1)(c) of Regulation No 40/94 only if it is reasonable to believe that it will actually be recognised by the relevant class of persons as a description of one of those characteristics.”*

*92. In addition, a sign is caught by the exclusion from registration in art.7(1)(c) if at least one of its possible meanings designates a characteristic of the goods or services concerned: see OHIM v Wrigley [2003] E.C.R. I-12447 at [32] and Koninklijke KPN Nederland NV v Benelux-Merkenbureau (C-363/99 [2004] E.C.R. I-1619; [2004] E.T.M.R. 57 at [97].”*

52. The applicants’ case is that ‘shaken, not stirred’ describes a method of manufacture of beverages that are prepared by shaking, not stirring.<sup>15</sup> Their evidence is focussed on teas. However, the applicant submits that the same objection applies to coffees, cocoa,<sup>16</sup> and soft beverages, which it says are commonly known to come with instructions to ‘shake before use’.<sup>17</sup> The applicant further submits that the same objection extends to services relating to the provision of beverages.<sup>18</sup>

53. The applicants submit that the registered proprietor effectively admitted the contested mark “*perfectly describes the preparation of our bubble tea..*” in the original counterstatement. However, I note that:

- (i) This does not constitute a formal admission because the descriptiveness of the mark was not in issue at the time;<sup>19</sup>
- (ii) The statement appears to have been made as a defence to the applicants’ claim that the registered proprietor had adopted the contested mark in bad faith;

---

<sup>15</sup> Paragraph 5.11 of the applicants’ skeleton argument

<sup>16</sup> Paragraph 5.18 of the applicants’ skeleton argument

<sup>17</sup> Paragraph 5.14 of the applicants’ skeleton argument

<sup>18</sup> Paragraph 5.1 and 5.15 of the applicants’ skeleton argument

<sup>19</sup> In fact the applicants’ pleadings said – and still say – that “*Tea is not a beverage which consumers usually enjoy ‘shaken, not stirred’*”

- (iii) The registered proprietor pleads that ‘Shaken’ distinguishes its Taiwanese-style bubble tea from other such products in which the frothy appearance is achieved by adding tapioca balls;
- (iv) The amended counterstatement says that ‘shaken, not stirred’ was intended to distinguish such teas in “*a light-hearted, catchy, and humorous manner*”;
- (v) The registered proprietor denies that the contested mark is a “*menu item description*” or a “*detailed product description*”;
- (vi) In my experience, consumers are usually left to stir their own tea, rather than stirring being part of the method used to prepare it.

54. I will take account of what the registered proprietor said in its original counterstatement. I have attached no weight to the registered proprietor’s apparent claim that its method of producing bubble tea is unique, and this somehow justifies its registration of the contested mark. As the applicants point out, even if true, this confuses the distinctiveness of the product with the distinctiveness of the trade mark. I find that the registered proprietor’s statements are sufficient by themselves to establish that SHAKEN describes a method of making bubble teas. However, I do not regard the registered proprietor’s statement as sufficient, by itself, to establish that the contested mark describes a characteristic of teas. This is because ‘shaken, not stirred’ as a whole is only realistically capable of describing a method of preparation of tea if stirring the product is recognised as an alternative method of preparation.

55. It is therefore necessary to examine the applicants’ evidence, which on this matter comes from Mr Stone. There is not much evidence. Most of what there is shows that SHAKEN is descriptive of bubble tea preparation. I have already accepted that. The key issue, in my view, is whether ‘shaken, not stirred’ is liable to be recognised by average consumers as a description of one way, over an alternative way, of preparing tea or, as the registered proprietor would have it, as just a catchy, humorous way of referring to teas prepared by shaking. I have no doubt that the reason the registered proprietor regards the term as catchy and humorous is because it is likely to be recognised by most UK consumers as playful use of one of James Bond’s well-known catchphrases.

56. The applicants provided a page from the website of Formosan which confirms that the bubble teas marketed under Shaken, Not Stirred are indeed brewed so as to be able to be enjoyed “*on their own, or shaken... .*”<sup>20</sup> There is nothing on the page to suggest that stirring is an alternative method of preparation.

57. Exhibit DAS-3 to Mr Stone’s statement consists of extracts from various websites which he says show that shaking, rather than stirring, bubble tea is an established practice in the bubble tea industry. The contents of these pages confirm that bubble tea is shaken to mix the tea, milk and/or flavourings together, and this produces the characteristic bubbles on the surface of the tea. I note the website of Takeaway Packaging includes a piece entitled ‘How to Drink Bubble Tea’, which states that it “*...can be shaken or blended, much like an ice coffee.*” A competitor of Formosan called Aobaba, states on its website that “*An ultra thin layer of bubbles are formed at the top [of its bubble tea] when this mixture is “shaken, not stirred.”*” Mr Stone says this is an example of descriptive use of the term in trade. I am not sure about that. The use of inverted commas suggests this may not be not natural descriptive use, but fanciful use of the well-known catchphrase. However, I recognise that it could be both.

58. The evidential highpoint of the applicants’ case is a historical page from the website of another seller of bubble tea called Chatime. The page dates from August 2014. It states that:

*“Hot, cold, with fruit toppings and – wait for it – shaken, not stirred, bubble tea is a replenishing and social way to enjoy the plummy British institution of teatime.”*

59. The preceding words “*wait for it*” may again indicate that the following use of ‘shaken, not stirred’ is not entirely natural descriptive use. Nevertheless, the statement suggests that stirring bubble tea is an alternative method of preparing it.

---

<sup>20</sup> See exhibit DAS-2



This appears to be confirmed by some posts in evidence from the social media website Reddit.<sup>21</sup> A user called mollyboba posted this in 2018:

### Shaken or not...

Why are some milk teas **shaken** to combine the milk and other ingredients, while others are left in layers for you to mix should you choose? Is there a correct way or a rule to follow?

60. In 2019, a user called Pakayaro posted a picture of an iced bubble tea under the heading:

Matcha. Iced. **Shaken, not stirred.**

61. In 2020, a user called chloesong123 posted that:

Wow I've been making homemade bubble tea at home for my family since covid happened and I didn't know it had to be **shaken**, not stirred. Tried it today **shaken** and tastes much better! Thanks for the tip :)

22

62. It is not clear whether these posts originate from UK users of Reddit. They also postdate the relevant date. However, they tend to support the proposition that average consumers are aware that bubble tea may be prepared by stirring or shaking it. The position is unlikely to have been any different in 2014.

63. The registered proprietor filed no factual evidence to counter the proposition that bubble tea can be prepared by shaking or stirring it. And it is clear on the evidence that preparation of the tea through shaking it is a characteristic of those goods. It is not necessary for the applicants to show that 'shaken, not stirred' was used as a description of teas at the relevant date. It is sufficient that it could be used (and recognised) as such in the future. Further, if as I have found, the term is capable of descriptive use, the fact that the mark has another meaning which is not descriptive of tea (i.e. one of James Bond's catchphrases) does not prevent section 3(1)(c) applying.<sup>22</sup> For the above reasons, I find that registration of the contested mark in relation to teas was contrary to section 3(1)(c) of the Act.

---

<sup>21</sup> Also in exhibit DAS - 3

<sup>22</sup> Per *Doublemint* cited above

64. The evidence in exhibit DAS–3 indicates that ice coffee can also be shaken or blended to suit the consumer’s taste preference. Blending can be achieved through stirring. I therefore find that the registration of the contested mark in relation to coffee was also contrary to section 3(1)(c) of the Act.

65. Iced tea can be regarded as a *non-alcoholic beverage* in class 32. *Preparations for making beverages* includes preparations for consumers or retailers to use to make up into drinks, such as iced tea. *Provision of drink* in class 43 covers the provision of tea and coffee products. For the same reasons given above, I find that registration of the contested mark in relation to these goods/services was also contrary to section 3(1)(c) of the Act.

66. There is no evidence that Shaken, Not Stirred is descriptive of *cocoa, beer and brewery products*, or services for the *provision of food*. The application to invalidate the registration of the mark under sections 47(1) and 3(1)(c) therefore fails in respect of these goods/services.

67. The principles to be applied under section 3(1)(b) of the Act (which mirrors article 7(1)(b) of the EUTM Regulation) were conveniently summarised by the CJEU in *OHIM v BORCO-Marken-Import Matthiesen GmbH & Co KG*<sup>23</sup> 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 undertakings.*

*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.*

*33. A sign which, in relation to the goods or services for which its registration as a mark is applied for, has descriptive character for the purposes of Article 7(1)(c)*

---

<sup>23</sup> Case C-265/09P, again with internal references omitted

*of Regulation No 40/94 is – save where Article 7(3) applies – devoid of any distinctive character as regards those goods or services.*

34 – 45 -

*46. As was pointed out in paragraph 33 above, the descriptive signs referred to in Article 7(1)(c) of Regulation No 40/94 are also devoid of any distinctive character for the purposes of Article 7(1)(b) of that regulation. Conversely, a sign may be devoid of distinctive character for the purposes of Article 7(1)(b) for reasons other than the fact that it may be descriptive.*

*47. There is therefore a measure of overlap between the scope of Article 7(1)(b) of Regulation No 40/94 and the scope of Article 7(1)(c) of that regulation, Article 7(1)(b) being distinguished from Article 7(1)(c) in that it covers all the circumstances in which a sign is not capable of distinguishing the goods or services of one undertaking from those of other undertakings.”*

68. A trade mark may therefore fall foul of section 3(1)(b) of the Act for reasons other than its descriptive qualities. However, the applicants’ case under section 3(1)(b) also relies on the descriptiveness of the mark. It follows that the section 3(1)(b) ground takes the applicants’ case no further than the section 3(1)(c) ground. If anything, the meaning of Shaken, Not Stirred as a well-known catchphrase of James Bond gives the mark more distinctive character in relation to the goods/services for which it is not recognisably descriptive.

69. The registered proprietor has not claimed the contested mark acquired a distinctive character through use prior to the date of the application for registration, or the date of the application for invalidation. Consequently, there is no need to consider (as well as no evidence) whether the provisos to sections 3(1) and 47(1) apply.

### **Provisional outcome, status of this decision, and costs**

70. The ground for invalidation based on the applicants’ allegation that the registered proprietor applied to register the mark in bad faith, has failed.

71. The section 3(1)(b) and (c) based grounds for invalidation have failed in respect of the following goods/services:

Class 30: Cocoa and substitutes therefor.

Class 32: Beer and brewery products.

Class 43: Provision of food.

72. I am minded to decide that the section 3(1)(b) and (c) based grounds for invalidation succeed in respect of the remaining goods/services for which the contested mark is registered, including tea.

73. Given the dissolution of the registered proprietor and the consequential vesting (temporary or otherwise) of the company's assets in the Crown, the Government Legal Service will be advised of this provisional decision and given 28 days to indicate whether the Crown wishes to intervene to defend the trade mark against partial invalidation.

74. I will issue a further final decision once this becomes clear and, if the Crown intervenes, I have considered any submissions made on behalf of the Crown (and given the applicants an opportunity to make submissions in reply).

75. I will deal with costs in my final decision. As things stand, I am minded to direct that each side bear its own costs.

**Dated this 6<sup>th</sup> day of March 2023**

**Allan James**  
**For the Registrar**