

TRADE MARKS ACT 1994

**IN THE MATTER OF Trade Mark Registration
No. 2370141
standing in the name of Tariq Mahmood**

and

**IN THE MATTER OF a request for a
declaration of invalidity thereto under
No. 82583 by
Glasgow Solicitors Property Centre Limited.**

BACKGROUND

1. Trade Mark number 2370141 was applied for on 7 August 2004 and proceeded to registration on 7 January 2005. The trade mark is GSPC and it stands registered in the name of Tariq Mahmood for services in Class 36: "Insurance, financial affairs, monetary affairs, real estate affairs."
2. On 6 August 2006, Glasgow Solicitors Property Centre Limited applied for a declaration of invalidity against the registration. The statement of case accompanying the application set out the grounds of the action as being that the mark was filed in bad faith, contrary to section 3(6) of the Act, and that it was registered in breach of section 5(4)(a) of the Act, the applicant claiming the protection of this passing off provision. The applicant stated that it had used the marks GSPC and GSPC Logo for over ten years. It also stated that the registered proprietor was fully aware of the applicant's trade marks and reputation but proceeded to file his own GSPC trade mark application. The applicant requested that the whole registration be declared invalid in accordance with sections 47(1) and 47(2)(b) of the Act.
3. On 15 August 2006, a copy of the application for a declaration of invalidity and the statement of case were sent to the registered proprietor, Mr Mahmood. In the accompanying letter, it was stated that the registered proprietor would need to file a Form TM8 and counterstatement to defend the registration on or before 26 September 2006. Mr Mahmood did not file a Form TM8 and counterstatement.
4. It does not follow, however, that the uncontested nature of these actions will automatically mean success for the applicant for the declarations of invalidity and failure for the registered proprietor. The onus in these circumstances is on the applicant to prove why it is that the registrations should be declared invalid and, with this in mind, the Registry invited the applicant, by letter dated 24 October 2006, to file evidence or submissions to substantiate a prima facie case in support of its invalidity actions by 5 December 2006. The letter drew the applicant's attention to the Hearing Officer's comments in *Firetrace* [2002] RPC 15:

“It is not sufficient to simply allege that a registration offends either Section 46 or 47 of the Act without doing more to prove that the allegation has substance. That said, when an application for revocation (other than non-use) or invalidation is made and the registered proprietors choose not to respond to such a request, I do not think that it is necessary for the applicants in those circumstances to have to fully substantiate their allegations beyond providing evidence which supports a prima facie case.”

5. The rationale behind this is section 72 of the Trade Marks Act 1994, which says:

“72. In all legal proceedings relating to a registered trade mark (including proceedings for rectification of the register) the registration of a person as proprietor of a trade mark shall be prima facie evidence of the validity of the original registration and of any subsequent assignment or other transmission of it.”

6. The applicant filed a witness statement accompanied by eight exhibits in support of its application. No hearing was requested and I hereby give this decision from the papers before me.

EVIDENCE

7. The witness statement is made by Mark Jocelyn Willoughby Hordern who is the Head of Marketing for the applicant. He has held this position since 1996. Mr Hordern says that his company provides property marketing and advertising services to approximately 200 solicitors (as at August 2004) throughout West Central Scotland. Solicitors in Scotland can also act as estate agents. The applicant company provides services to its solicitor members to assist them in providing their own conveyancing and estate agency services. Mr Hordern says that the trade mark GSPC has been used by the applicant as a brand since 1993 and that it is used in relation to all of the company’s activities relating to the solicitor-members’ property sales services, including financial and mortgage advisory services.

8. In terms of geographical coverage, Mr Hordern says that his company’s activities extend to all parts of West Central Scotland from South Ayrshire and South Lanarkshire to North Lanarkshire and Argyll & Bute. In 1996 there were 3,500 property sales through the company, rising to 8,500 in 2003, worth over £800 million. The company website, www.gspc.co.uk, in 2003 received an average of 5,300 visits per day, with over 14,500 properties viewed on-line per day. In August 2004, independent research ranked GSPC as 25th in the list of most visited property websites in the UK, with over 221,000 visits in that month (I note that the trade mark application was made in this month). Exhibit MJWH1 is a copy of the independent search report.

9. Exhibit MJWH5 is an extract from an article from the Journal of the Law Society of Scotland, dated 18 March 2005, referring to the company’s financial performance for 2004 (the year of application for the trade mark registration). It says that the company had broken the £1 billion barrier for residential property sales. Mr Hordern says that the annual turnover of his company which is directly attributable to the mark GSPC for the five years prior to the filing of the registration in issue is:

Year	Amount £
31/01/2000	1,753,094
31/01/2001	2,006,458
31/01/2002	2,271,163
31/01/2003	2,769,371
31/01/2004	3,243,860

Upwards of £500,000 is spent annually in order to promote the mark, including maintaining the GSPC website and printing and circulating the GSPC Property Guide. The latter was first published in September 1993 and has been used continuously since that date. In 2003 the circulation of the Guide ran at 50,000 per week, distributed at over 1,000 outlets consisting of members' premises, banks and building societies. MJWH2 is a copy of the Guide dated 21 November 2006. This is after the date of the application for the registration and I thus take notice of it only to the extent that it may be indicative of how the publication appeared in previous years. The mark is also promoted on "For Sale" signs, on stationery and in window displays.

10. The promotion of the company trade mark, GSPC, has also taken place via the general Scottish press, BBC Radio Scotland and mainstream Scottish television channels. Exhibit MJWH4 shows press clippings bearing the trade mark together with a compact disc (CD). In 2000, The Scotsman Newspaper carried 28 pages of GSPC properties for a 24 week period, appearing on Tuesdays and on Sundays. The CD has four clips of television advertisements which appeared on Scottish television in March 1997 and from August to September 1997. I have watched these and have noted that the mark GSPC appears clearly both visually and aurally. The exhibit also shows a report which says that at least 80% of the population of the west of Scotland would have seen one of these advertisements and at least 40% would have seen one or more of them at least four times or more. I assume these percentages are meant to represent adult population figures.

11. Exhibits MJWH3, 6, 7 and 8 are, respectively: listings of solicitor members; a market research survey conducted between 1995 and 1997 which is not particularly helpful; and brochures advertising the company's services to its members. That completes my review of the evidence.

DECISION

12. Actions have been brought under section 3(6) and 5(4)(a) of the Act. I propose to deal with section 5(4)(a) first. Section 5(4)(a) says:

“5. (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, or

(b).....

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of an “earlier right” in relation to the trade mark.”

The ground of invalidity, based upon the above, is section 47(2):

“47. – (2) The registration of a trade mark may be declared invalid on the ground –
(a) that there is an earlier trade mark in relation to which the use conditions set out in section 5(1), (2) or (3) obtain, or
(b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.”

13. In deciding whether the mark in question, GSPC, offends against this section, I intend to adopt the guidance given by the Appointed Person, Mr Geoffrey Hobbs QC, in the *WILD CHILD* case [1998] RPC 455. In that decision Mr Hobbs stated that:

“A helpful summary of the elements of an action for passing off can be found in Halsbury’s Laws of England (4th Edition) Vol. 48 (1995 reissue) at paragraph 165. The guidance given with reference to the speeches in the House of Lords in *Reckitt & Colman Products Ltd v. Borden Inc.* [1990] R.P.C. 341 and *Erven Warnink BV v. J. Townend & Sons (Hull) Ltd* [1979] AC 731 is (with footnotes omitted) as follows:

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

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

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

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

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

Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph

184 it is noted (with footnotes omitted) that:

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

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

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

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

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

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

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

14. It is well established that the material date for a passing-off claim is the date of the behaviour complained of (see *Cadbury Schweppes Pty Ltd v Pub Squash Co Pty Ltd* [1981] RPC 429 and *Inter Lotto (UK) Ltd v Camelot Group PLC* [2004] RPC 8 and 9). Section 5(4)(a) is derived from article 4(4)(b) of First Council Directive 89/104 of December 21, 1998 which states:

“rights to a non-registered trade mark or to another sign used in the course of trade were acquired prior to the date of application for registration of the subsequent trade mark”.

The material date can therefore be no later than the date of application for registration, but it can be earlier. In this undefended case, the material date is 7 August 2004, the date of application for registration.

15. At this date, the applicant's turnover was £3,243,860 and the value of its property sales was in excess of £1 billion. Over 221,000 visits were made to its website in August 2004 and it was the 25th most visited UK property website. I believe that the applicant has proved it had a sizeable goodwill in the conveyancing/real estate/mortgages market at the material date in southern Scotland. The evidence shows that its area of operation was across particular parts of southern Scotland and I note that this region is amongst the heaviest populated north of the border, including, as it does, Glasgow. I bear in mind that the applicant does not have to prove a national goodwill if the conflicting use of another's mark is liable to cause damage to his goodwill; see *Chelsea Man Menswear v Chelsea Girl Ltd* [1987] RPC 189. That case was concerned with clothing and the precept that goods 'travel'; in the instant case, I am concerned with property services. Whilst a good number of the public who may be exposed to such services are undoubtedly local, property services also 'travel' in the sense that people wish to move into an area, or purchase second homes, buy-to-lets etc. It is possible that the large number of monthly website hits could be attributable to people not in the immediate area of commercial operation; however, this is conjecture. I am satisfied that the applicant has goodwill in the marks and that this both predates and is contemporaneous with the filing date of the trade mark application.

16. The evidence shows use of the applicant's marks as both letters-only; i.e. GSPC, and also as the letters GSPC on a simple geometrical background, with the letters as the clearly dominant element. The registration is for the plain letters GSPC. In terms of the applicant's use of its mark as letters-only, the marks are identical. The applicant's evidence shows use of its mark(s) on conveyancing, estate agency and financial services relating to property services; in short, the services that one would expect to be able to access via estate agents and solicitors. The services covered by the registration are therefore identical to those of the applicant.

17. In circumstances such as these, where identical marks and identical goods and/or services are involved, and goodwill having been established, misrepresentation must follow. The third element of the trinity, damage, is inevitable (*Mecklermedia Corporation v D.C. Congress Gesellschaft mbH* [1997] FSR 627).

18. I find that the applicant has succeeded in its claim against the registered proprietor under section 5(4)(a).

19. The applicant's other ground of action is brought under section 3(6) of the Act. This section of the Act says:

“3.-
....

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

The ground of invalidity, based upon the above, is section 47(1):

“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).

20. The relevant date for consideration of whether or not an application was made in bad faith is the application filing date or at least a date no later than that (*Hotpicks* Trade Mark [2004] RPC 42 and *Nonogram* Trade Mark [2001] RPC 21). In these actions, therefore, the relevant point in time for assessment as to whether the registered proprietor acted in bad faith is therefore at the date at which the trade mark application was made: 7 August 2004.

21. The applicant contends, in its statement of case, that:

“The Registered Proprietor, Mr Tariq Mahmood, was fully aware of the substantial reputation enjoyed by the Applicant in relation to, in particular real estate affairs, and financial affairs and also in relation to monetary affairs and insurance but nevertheless proceeded to file an application, for registration for the identical Mark for the identical services to those of interest to the Applicant in his own name. UK Trade Mark Registration No 2370141 was therefore, clearly filed in bad faith, in accordance with the provisions of Section 3(6).”

22. There is no legal definition of “bad faith”. First Cancellation Division of OHIM in *DAAWAT Trade Mark* (Case C000659037/1, 28 June 2004) at [8] and *GERSON Trade Mark* Case C00066563/1, 29 July 2004) at [13] stated:

“8. Neither the CTMR nor the IR provide any guidance on what acts constitute bad faith. The term bad faith is not defined in Community trade mark law. OHIM has published some guidance on its interpretation of bad faith in view of the EU enlargement and has stated among others than bad faith can be considered to mean ‘dishonesty which would fall short of the standards of acceptable behaviour’. This definition for bad faith was used in the United Kingdom (*Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] RPC 367) (see OHIM Bad Faith Case Study 31/01/2003...). In its case law the Cancellation Division has held that bad faith is the opposite of good faith, generally implying or involving, but not limited to, actual or constructive fraud, or a design to mislead or deceive another, or any other sinister motive. Conceptually bad faith can be understood as a ‘dishonest intention’. This means that bad faith may be interpreted as unfair practices involving lack of any honest intention on the part of the applicant of the CTM at the time of filing. Bad faith can be understood either as unfair practices involving lack of good faith on the part of the applicant towards the office at the time of filing, or unfair practices based on acts infringing a third person’s rights. There is bad faith not only in cases where the applicant intentionally submits wrong or misleading by insufficient information to the office, but also in circumstances where he intends, through registration, to lay his hands on the trade mark of a third party with whom he had contractual or pre-contractual relations (see the

Cancellation Division's decision in BE NATURAL of 25/10/2000, C000479899/1, at Nos. 10-11)."

An allegation of bad faith is therefore a serious one and one that needs substantiating beyond mere assertion. There is no evidence, for instance, as to whether Mr Mahmood had had "contractual or pre-contractual relations" with the applicant. His intentions are unknown because he has not defended his registration in these proceedings. Richard Arnold QC, sitting as the Lord Chancellor's Appointed Person, said recently in *Brutt Trade Marks* (unreported) O-372-06:

"22. The standard of proof in civil litigation such as this is the balance of probabilities. It is well-established that, the more serious the allegation sought to be proved, the less probable it is and therefore the more cogent the evidence relied upon to support it must be. That does not, mean, however, imposing a higher standard of proof: see *Re H (minors)* [1996] AC 563 at 586."

In short, there is no evidence to support the allegation. The allegation itself, contained in the statement of case, is insufficient to support a prima facie case. I therefore find that the claim for a declaration of invalidity fails under section 3(6) of the Act.

Conclusion

23. The applicants have been successful under section 47(2) of the Act. In accordance with section 47(6), the registration shall be deemed never to have been made.

Costs

24. The applicant has been successful and I order the registered proprietor to pay the applicant for invalidity £800. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 13th day of March 2007

**JC Pike
For the Registrar
The Comptroller General**