

O-179-16

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATIONS 3039661 & 3039690
BY MR MICHAEL WRIGHT
TO REGISTER THE FOLLOWING TRADE MARKS IN CLASSES 25, 41 & 43:



&



AND

OPPOSITION THERETO (Nos. 402600 & 402606) BY
DELL ENTERPRISES, INC

Background and pleadings

1. Both trade mark applications the subject of these proceedings were filed by Mr Michael Wright on 28 January 2014. They both consist of a series of two trade marks, as depicted above. They both have a priority date from an Irish trade mark, but this is not relevant to these proceedings. Both applications were published for opposition purposes on 2 May 2014 in respect of the following goods and services:

Class 25: T-Shirts, sweaters, caps, hats; clothing, footwear and headgear.

Class 41: Entertainment services; nightclub, discotheque and cabaret services; provision of live entertainment and recorded entertainment; provision of leisure and entertainment facilities; sports, cinematic and video entertainment services; provision of music, entertainment and dancing facilities; organisation of competitions, tournaments, games and sporting events; organisation of musical entertainment, fashion shows, parties; advisory, consultancy and information services in relation to aforesaid.

Class 43: Services for providing of food and drink; bar services; music bars; restaurant services; café, lounge, catering food and drink services; providing facilities for weddings, parties, dancing, banqueting services.

2. The opponent is Dell Enterprises LLP. Its opposition is based on a single ground under section 3(6) of the Trade Marks Act 1994 (the Act). The primary basis of its pleaded case is that the applicant is attempting to trade off the repute and notoriety of the opponent's business. It is claimed that the opponent operates (through licensees) well-known bars in the US, one in New York and one in Las Vegas. It considers that the applicant would have been aware of the opponent's bars and that the use of the name would mislead consumers, which, it is claimed, would fall short of the standards of acceptable commercial behaviour.

3. The applicant filed a counterstatement denying the allegations. It is claimed that the applicant only knew of the opponent in the week prior to the applications being filed, when register searches were conducted. Two community trade mark

registrations owned by the opponent were identified, but these were vulnerable to revocation through non-use (and have now been revoked in their entirety).

4. Both sides are legally represented. The opponent is represented by Kilburn & Strode LLP, the applicant by Stobbs. The cases were consolidated. Both sides filed evidence. A hearing took place before me on 8 February 2016 at which Mr Ben Longstaff, of counsel, instructed by Kilburn & Strode, represented the opponent. The applicant was represented by Mr Julius Stobbs, of Stobbs. At the hearing, the applicant, Mr Wright, attended for cross-examination. Another of the applicant's witnesses, Mr Mark Griffin, was directed to attend, but failed to do so; I will set out the consequences of his failure to attend later.

Section 3(6)

5. Section 3(6) of the Act states that:

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

6. In *Red Bull GmbH v Sun Mark Ltd & Anr* [2012] EWHC 1929 and [2012] EWHC 2046 (Ch) (“*Sun Mark*”) Arnold J summarised the general principles underpinning section 3(6) as follows:

“Bad faith: general principles

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* [2009] EHWK 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 Plasticulture 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).”

7. Whether the trade mark was applied for in bad faith must be assessed at a particular point in time. As stated in the *Sun Mark* case, the relevant date is the date of the applications to register the trade marks. The relevant date is, therefore, 28 January 2014.

The evidence

8. The witnesses, and what, in summary, they give evidence about is set out below:

For the opponent

9. Ms Michele Dell, the President, Secretary and Treasurer of the opponent (and two related companies). She gives evidence about the history of the Hogs & Heifers bar in the US, the theming of its bars and its claimed notoriety. She also gives evidence about the applicant’s business and its similarity to that of the opponent.

10. Mr Joseph Cully, a commercial fraud investigator. He gives evidence about an undercover investigation he conducted at the applicant’s business premises, including a conversation he had with a barman about its name.

For the applicant

11. Mr Michael Wright, the applicant for the trade marks. He gives evidence about his history in the bar and restaurant trade, how he came to develop his Hogs & Heifers business, and, also, he deals with some of the opponent's allegations relating to his conduct.

12. As noted above, Mr Wright attended the hearing for cross-examination. I should, therefore, give my observations on him as a witness. In summary, whilst Mr Wright gave straightforward answers to certain questions, in relation to the questions that mattered most in terms of the probity of this evidence, he was not a convincing witness. He showed a tendency to distance himself from his evidence. For example, he appeared to lack detailed knowledge of important facts, and excused himself on account of the busy nature of his work. Whilst I appreciate that Mr Wright is no doubt a busy man, it is his evidence that he was being cross-examined on and he should have been much clearer about it. To compound the problem, it became clear during cross-examination that Mr Wright's evidence was actually written by his assistant. Whilst during re-examination he confirmed that he would not have signed the witness statement if he was not happy with it, this seemed to me to be an attempt to dig himself out of the hole he had created. One very clear example of his evidence not being his own was in relation to the undercover investigation of Mr Cully. In his reply evidence Mr Wright commented directly upon this, yet he stated during cross-examination that he had not even seen the video or read the transcript. Generally speaking, I attribute little weight to his evidence.

13. Mr Mark Griffin, who works in marketing, and who was engaged by the applicant to assist in the branding of the applicant's bar/restaurant in Dublin. His evidence relates to the design process of certain aspects of this venture, which includes emails between himself and Mr Wright. He was also directed to attend for cross-examination, but failed to do so. The consequence of this is that his evidence is to be treated in an analogous way to that of hearsay. The real problem, though, is that much of Mr Griffin's evidence is provided to corroborate the evidence of Mr Wright, evidence which I have already indicated will be given little weight. I will, though, give some weight to the email exchanges provided in Mr Griffin's evidence. They are documented exchanges and

there is no suggestion that they have been doctored. However, and as submitted by Mr Longstaff, the emails clearly do not represent all of the exchanges that took place between Mr Griffin and Mr Wright.

14. Ms Hazel Tunney, the applicant's trade mark attorney. She gives evidence about the filing of the subject marks and the revocation proceedings launched against the opponent's CTMs.

For the opponent, in reply

15. Ms Flora Cook, a trade mark attorney working for the opponent. She gives evidence about the theming of bars in the US, particularly in the meat packing district of New York (from which the applicant states he was inspired).

16. I will break the evidence down with regard to the main issues covered. I will focus, initially, on the written evidence. When I come to make factual findings, I will factor in Mr Wright's cross-examination.

The history and notoriety of the opponent's Hogs & Heifers bars

17. The opponent licenses the use of the name Hogs & Heifers to two businesses in the US. Put simply, one operates a bar in New York, the other in Las Vegas. The New York bar opened in 1992. It is located in the meat packing district in the West Village of Manhattan. Ms Dell describes it as "an all-American classic country and southern rock 'n' roll dive bar". The Las Vegas is of a similar nature and opened in 2005.

18. Ms Dell provides numerous exhibits to show the notoriety of the bars. Mr Stobbs accepts that the bars are "...reasonably well-known in the United States" and that the "bars have a particular theme to them, have dancing girls on bars, have bras behind the bar, and have bar tenders who are generally rude to customers". Mr Stobbs did not, though, accept that the bars are well-known outside the US or that this theme is well known in the UK.

19. Given the above concessions, it is not necessary to provide chapter and verse about Ms Dell's evidence. However, I will nevertheless highlight some of the facts that she gives evidence about:

- The name Hogs & Heifers was inspired by a combination of motorcycles ("Hogs" is a nickname given to Harley Davidson Motorcycles) and women. Although somewhat cryptic, the women inspired "Heifers" part of the name stemmed from the founder of the bar (Mr Allan Dell, Ms Dell's now deceased husband) having seen a sign for a heifer auction which depicted a virgin cow.
- The bars are "biker bars" with parking spaces for motorcycles outside. Motorcycling is an important feature of the bar, which includes the running of certain motorcycle events. Ms Dell provides various documents such as press articles from what appear to be US publications.
- A search report from google.co.uk for Hogs & Heifers is provided, most of the hits relate to the opponent's bars. However, I note that the second hit refers to the applicant's venue in Dublin.
- The Las Vegas bar has a Facebook page, which also promotes events at the New York bar. Just over 8k people have liked the page and 17k visits to the bar have been logged. The exhibited pages contain some Facebook statistics. One is for "people engaged" for which there are 74 in the UK. Another is "fans" (explained as "people that liked the page"), for which there are 157 in the UK. Finally there is "people reached". The explanation of this is that "the number of people your post was served to in the past 28 days", for which there was just under 4k in the UK. However what is meant by "posts being served" is not explained, consequently, it is not possible to know what impact this will have had.
- The US bar(s) have been included in travel guides. Exhibit MD16 contains extracts from Brit Guide New York 2014, Irreverent Guide to Manhattan, Frommer's Easy Guide to Las Vegas, Marco Polo, The complete Idiot's Guide

to Las Vegas and The Little Black Book of Las Vegas. There is supporting evidence to show that these books are available to buy in the UK. However, no evidence is given as to how many have been sold. The only evidence that gets close to this is that one of the guides was the 12th best-selling Las Vegas Guide book on amazon.co.uk.

- The US bars have an entry on the Tripadvisor website. Ms Dell highlights that people from all over the world have left reviews. She states that some are from people in the UK.
- The US bars are known for barmaids (and customers) dancing on the bar. Ms Dell states that she started this activity in order to keep warm whilst working in the New York bar. She adds that a New York bar called the Coyote Ugly Saloon (on which the film Coyote Ugly was “allegedly” based) copied this dancing activity. She states that the most famous person to dance on the bar is probably Sir Paul McCartney. A number of press articles are provided from 2000 about Sir Paul McCartney doing this. They are from The Daily Mail, The Daily News (a New York newspaper) US Weekly, People Weekly (country of origin unknown) and Star (a US magazine).
- Other celebrities have frequented the bars including Julia Roberts, Brad Pitt, Gwyneth Paltrow and Bono. Many more examples are given and associated press articles provided. Exhibits MD15 and MD20-25 contain photographs and the press articles. The articles appear to be from US publications. One which is not from the US is Elle magazine, which may be a UK publication.
- Another feature of the bar is, as Mr Stobbs accepted, bras hanging from the bar. Many of these are “donated” by customers. Again, press articles, mainly from the US, are provided about this. Mr Wright comments on the bras in his evidence, stating that this is not an unusual concept. He gives evidence about other bars that have such a theme.

- Cow imagery is a feature of the bar and its promotion materials, often in the form of a cow's head. The promotional material provided is from the opponent's US website. Mr Wright comments on this by stating that the use of cow imagery would be common for restaurants that focus on beef and the opponent has no exclusive rights in the use of such images.
- The 2000 film Coyote Ugly is, as stated earlier, based on a bar of the same name in New York. However, Ms Dell states that the interior and exterior of the bar in the film actually emulates the opponent's bar. A number of press articles (from US publications) mention the association between the opponent's bar and that of the bar in the film, although, there is clearly some dispute as to what the true inspiration for the film was. In his evidence, Mr Wright states that there are no references to Hogs & Heifers in the film and he was not aware of any association.

The applicant's coining of the name HOGS & HEIFERS

20. Mr Wright has worked in the bar/restaurant scene in Dublin since the 1980s. He has opened a number of bars over the years. He states that he identified a demand for American style food for families, local businesses and party goers.

21. Mr Wright states that the name was derived from the fact that both pork and beef products were being offered. He also incorporated the meat packing trend which he says was popular at the time. He adds that he also derived inspiration from the movie Coyote Ugly which he understands to be based on the Coyote Ugly Saloon in New York. He states, a number of times, that he did not know of the opponent's use and that the name was coined independently.

22. Mr Griffin is a marketer working for Mr Wright. He states that he was informed that the name was derived from the meat based menu. He was clearly, though, not involved in the name selection. In terms of the design criteria for the bar, he provides (amongst others) an email from Mr Wright containing the following instructions:

“It should feel like the restaurant came out of meat packers. Brown brick walls salvaged wood floors. Mix of furniture some trendy pieces mixed with worn wooden mix match. Kitchen will have open canteen feel you will see a pig on a spit a chicken rotisserie & a bar b q square grill kitchen surround wall areas will white subway tiles inside. The open [sp] will have wooden front. Over the square bar will be old metal track with meat hooks holding old fashioned par [sp] cans. Stage will have raw rock n roll feel. One wall will be wooden logs stacked to the roof. Ceiling will have thick wooden salvage beams. Lighting will be generally amber with red cans suspended from steel bars. The space should have an industrial feel with some design features.”

23. Mr Griffin adds that at no time was the design to be based on an already existing bar.

24. Ms Dell comments on the applicant’s explanation that the name was coined due to the meat based menu, i.e. pork (hogs) and beef (heifers). She provides (Exhibit MD39) a copy of the applicant’s menu which she considers not to be focused in this way given that it contains various products beyond pork and beef. I note, however, that one part of the menu is identified as “HOG MAINS” and another as “HEIFER MAINS” (with the goods being pork/beef products respectively). The cover of the menu depicts a motorcycle being ridden by a cartoon pig and cow.

The undercover investigation

25. The evidence of Mr Cully contains a video of an undercover investigation he undertook at Mr Wright’s venue in Dublin, together with a transcript of a conversation he had with a barman there. When asked about the name, the barman makes a number of statements including:

“There is a bar in the states called Hogs & Heifers.....”

“..we were a bit bold and stole the name for Europe. It was only patented in America, it was not patented in Europe, so my boss patented it in Europe.”

“Yes he [his boss] is a good man at robbing ideas from people but I suppose that is the name of the game isn’t it. He goes to America, he tries to get ideas and he brings them back.”

26. I note, though, that when asked whether it was just the name that was taken the barman responded “Yes, it’s very much a different kind of place.”

27. Mr Wright states (in his reply evidence) that the barman was not employed by Hogs & Heifers, nor was he employed in the lead up to the launch of the establishment, nor has he had any direct contact or discussions with him. The barman was never informed of the basis for the adoption of the brand. Mr Wright states that he is not responsible for the friendly banter that occurred and the barman was not authorized to make such comments. As touched on earlier, Mr Wright stated under cross-examination that he had not actually seen the video or read the transcript. He effectively knew nothing about it. The statements in his reply evidence, therefore, have no weight.

Similarities between the businesses

28. Ms Dell provides evidence to show the similarities between the applicant’s bar/restaurant in Dublin and the bars of the opponent in the US. The evidence includes:

- Documents which show that at one point in time the applicant’s website contained a photograph of the interior of the opponent’s New York bar. MD35 is the website print, MD11 shows a corresponding photograph of the New York bar. Mr Wright states that this was not done with his knowledge, it was added by the website designer and removed as soon as he became aware of it. Mr Griffin (who was involved in the creation of the website) states that the photograph and images used on the website came from social media platforms following a search (the nature of the search is not explained), with the images then selected for inclusion. He adds that he was subsequently asked to remove one image because it related to another venue, which he duly did. He states that its inclusion was unintentional.

- Text from the applicant's website (and Facebook page) which makes reference to the concept of the bar being born of the meat packers district of New York and recreates the theatre of the film Coyote Ugly. Exhibits MD36 & 37 refer.
- That the applicant's business also has a motorcycling theme in view of the menu cover (mentioned earlier) and that in the applicant's venue there is a motorcycle hanging from the ceiling, as there is in the opponent's New York bar.
- The applicant's venue includes bras hanging from the bar and, also, staff/customers dancing on the bar. None of this is disputed so I do not need to detail the evidence any further.
- Evidence showing promotional material put out by the applicant featuring images of a cow's head.

An alleged instance of confusion

29. Ms Dell provides an extract from Facebook consisting of a message sent to the Las Vegas bar from someone in Dublin asking for assistance with a charitable initiative. A search on Facebook is also provided showing the pages of the respective businesses next to each other, which, Ms Dell states, shows further the possibility for confusion. Ms Dell considers that the combination of the name, together with the features/themes that have been taken, demonstrates that there was clearly an intention to trade off the opponent's reputation.

The applicant's trade marks

30. Ms Dell notes that the opponent previously owned two CTMs that pre-date the applicant's trade marks. However, these were revoked by the applicant on grounds of non-use. Ms Dell states that she was not aware of the revocations having been filed and, therefore, makes no admission that the opponent has not used the marks in the EU. Whilst this point is noted, no evidence has been provided of the opponent

operating anywhere in the EU, nor has it even been claimed that the opponent has operated outside of the US.

31. Ms Tunny gives evidence for the applicant. It is she who received instruction, from Mr Wright's assistant, to file the subject trade marks and to conduct clearance searches. When Ms Tunny advised the assistant of the earlier CTMs of the opponent, she apparently expressed surprise because she was unaware of the marks, the opponent or any other establishment called Hogs & Heifers.

Other bars/restaurants in the meat packing district

32. Ms Cook's evidence contains photographs of various bars/restaurant in this district. It is not altogether clear what point is being made. I assume it is to show that various themes (and what they are) exist for restaurants/bars in this area.

DECISION

33. In terms of reaching a decision on the sole ground of opposition under section 3(6), there are, in my view, three key questions:

- i) Did Mr Wright know of the opponent's business at the relevant date?
- ii) What was Mr Wright's motivation for filing the subject trade marks?
- iii) Based on the answers to the first two questions, was the filing of the subject trade marks something which fell below the standards of acceptable commercial behavior in the relevant field.

34. I will deal with each question in turn.

Did Mr Wright know of the opponent's business at the relevant date?

35. Before the subject trade marks were filed, Ms Tunny conducted a clearance search and identified the now revoked CTMs of the opponent. She informed Mr

Wright's assistant of this. It is logical to assume that this information was fed back to Mr Wright. However, knowledge on this basis alone would not enable the opponent to succeed. The claim is made on the basis of a pre-existing knowledge of the opponent's business and that, essentially, Mr Wright copied the name and business model of the opponent. Thus, irrespective of the knowledge derived from the clearance search, if it is established that the trade mark was coined independently then the opposition is bound to fail.

36. Mr Longstaff relied on a number of cumulative factors which, he argued, were indicative of knowledge. The factors included the names themselves, the theming of the bar/restaurant, including dancing on tables, the hanging of bras and the association with motorcycling. Whilst I accept Mr Stobbs' submission that such things are not, in and of themselves, highly unusual, when taken together I come to the view that a *prima facie* case (a strong one at that) is established to suggest that Mr Wright must have known of the opponent's business. I should add that the one factor that does not go wholly in the opponent's favour is the fame and notoriety of the opponent's business. Whilst the opponent's bars may be known in the US, the evidence does not establish that they are known to any material extent in the UK (or even Ireland where Mr Wright's business is operated). Thus, the evidence does not show that businessmen in this field in the UK (or even in Ireland) were bound to know of the opponent's business on the basis of its notoriety. That does not mean that Mr Wright did not know of the opponent's business, I will come to that point shortly.

37. The applicant has provided evidence to rebut the opponent's case. I have already summarised the applicant's written evidence about the coining of the name Hogs & Heifers. Some of the exchanges during Mr Wright's cross-examination are set out below:

Q. Who thought up the name of the bar?

A. I have got a team of about ten people in an office. I am not actually sure who, first off, would have thought of the name. We were in Dublin at the time and we were doing this restaurant. Pig on a spit is a big thing.

All the markets have pig on a spit. A lot of restaurants have started to put pig on a spit. The concept was that we were going to have a restaurant that specialised in steak. We wanted to do steak in a really good environment and do it really well. There was nobody doing that in Dublin at the time so from that, the menu was largely based on steak and then the hog.

Q. You do not remember who came up with the name?

A. We actually started off with a lot of different types of names and through a process, the name came up. People started getting excited about it.

Q. Okay, but there is no evidence where that ----

A. There are eight or nine people who are all in marketing.

Q. So you had lots of other names in the running during that process then?

A. Yes.

Q. Once you came up with it, I imagine it was a collaborative process.

A. It just came totally from what we were trying to present and what we were trying to do.

Q. It was no big secret that the meat theme was based on the meat venue?

A. The whole menu, the original menu, was completely

based on the hog and meat.

Q. When you had arrived at that idea, everyone knew that that is what the whole concept was.

A. The whole concept was built around that, yes.

38. What is not clear from the above is who came up with the name. It was clearly not Mr Wright. Instead, he claims that it was one of his marketing team. It is not even clear if Mr Wright was even present at the meetings he refers to. His answers lack objective detail. Mr Wright's lack of objective detail is compounded by the fact that his written evidence appears to have been prepared by someone else. For example, in relation to a line of questioning about a logo on a menu, an exchange went like this:

A. I would have to ask Hazel because she put this together.

Q. So you do not know what is in your own evidence?

A. I have not gone through this with a fine tooth comb.

Q. You have just confirmed that it is your signature at the end of this document.

A. That is my signature at the end of my statement, which is a three-page statement.

Q. I might suggest that it is slightly reckless to put your signature to, and attest to, a document which you do not know the detail of.

A. These further emails that you are asking about, and menus, this is a menu that could be printed off at any time in the lunchtime.

Q. Indeed. You have exhibited them to your statement as evidencing the meat theme. All I am suggesting is that they postdate by some degree the launch of your menu.

39. A further exchange went like this:

You have very carefully avoided putting anything in the reference that might give away the true derivation of the theme, which is the HOGS & HEIFERS ----

A. I very carefully did not put this evidence. You have already caught me out in that there are quite a few things that I do not know here at all. I did not put this evidence together. Hazel put this evidence together on my behalf. I have not submitted any of these items to anybody. They have been submitted from my office.

Q. That is an astonishing thing to say.

A. It is not an astonishing admission. I have got people who deal with this sort of thing.

40. And, a further exchange (in relation to Mr Cully's investigation) went like this:

So the barman that Mr. Cully spoke to at your venue was right about that, was he not? You are very familiar with New York.

MR. STOBBS: You might need to remind the witness what you are talking about.

MR. LONGSTAFF: You are absolutely right. I apologise. Regarding Mr. Cully's statement -- do not trouble

yourself to turn it up as I will just read it -- you will remember the transcript of the conversation that took place between the private investigator, Mr. Cully, and the barman of the venue.

A. Can I tell you that I did not read it?

Q. It is dealt with in your witness statement here.

A. I did not read it.

Q. You did not read it?

A. It was of no relevance to me whatsoever.

41. During re-examination Mr Stobbs asked Mr Wright to confirm that he was happy with the information in his witness statement:

MR. STOBBS: Understood. Please could you confirm how the statement was put together and can you confirm that you were happy with the information in it?

A. My memory was that Hazel came round to my office. We had a meeting. She asked me to make a statement. I made the statement and that was it.

42. Whilst noting Mr Wright's response, this strikes me, as stated earlier, as nothing more than backtracking, an attempt to undo some of the damage caused during cross-examination. Whilst on the topic of Mr Cully's undercover investigation, it is useful to record Mr Wright's responses to a line of questioning as to why the barman might have said what he did:

Q. The derivation of the name according to you.

A. It is immaterial. He was there to work the shift.

Q. The reason I ask is that the answer that he came up with was something completely different.

A. Than my answer?

Q. Than your account, yes.

A. I am sure if you ask a barman any question, he is going to come up with a different answer to me.

Q. He says that it is taken wholesale from the bar in Manhattan.

A. If he said that, that is fine for him. He can speak.

and later:

What he says does not relate to me or what I say or what I do in any way. Barmen, you know, deal with hearsay all the time so I do not know who this person is. I do not know what conversation he had with him before he switched on his camera. I do not know how much of the conversation is actually here. I have no idea.

43. For obvious reasons, I accept that Mr Wright cannot know what was in the mind of the barman. Mr Wright mentioned on the stand that the investigation may have taken place after these proceedings had been launched. Mr Wright also stated during cross-examination that he did not tell the barman anything about the coining of the name. However, notwithstanding all this, the barman's account at least adds to the probability of copying which is inherent from the similarities between the distinctive names being used combined with the similarity in business models.

44. Mr Longstaff asked Mr Wright a number of questions about the motorcycling theme of his bar/restaurant. Mr Wright downplayed the importance of a motorcycling theme suggesting that the use of motorcycling signage (such as in the logo) was just part of its American styling. Mr Longstaff produced some photographs from the launch night of Mr Wright's venue, taken from *Twitter*. They show large posters with a motorcycling focus and, also, a row of what appear to be Harley Davidson motorcycles parked right outside the venue. Mr Wright, again, was unable to give much objective detail, suggesting that others in his team would have been responsible for arranging this. In relation to the Harley Davidsons, Mr Wright initially suggested that the bar manager, who was apparently a motorcycling enthusiast, may have arranged it (the motorcycles may have belonged to his friends) or, indeed, it may have just been customers turning up for the event. I found these answers to lack conviction and credibility. It is clear that motorcycling was an important part of the theming on the night. Given that the venue must have represented a large investment for Mr Wright, I cannot accept that he had no knowledge of what was going on.

45. A number of questions were put to Mr Wright about the development of his business plans with Mr Griffin. Whilst I accept that the emails in Mr Griffin's evidence are unlikely to represent the totality of the exchanges between him and Mr Wright, nothing can be taken either way from them. Even if Mr Wright coined the name of his venue in the knowledge of the opponent's business, it does not follow that he would have informed Mr Griffin.

46. Another factor to bear in mind is that Mr Wright has been to New York. The following exchange took place between Mr Longstaff and Mr Wright:

Q. As the hearing officer says, we are getting into an argument which I should not be doing. I should simply be asking you questions about your evidence. Let us move on. Have you ever been to New York?

A. I lived in New York.

Q. I was going to ask you if you had been more than

once, but I think that covers it.

A. I bar-tended in New York.

47. During re-examination an exchange between Mr Stobbs and Mr Wright went like this:

Q. That is fine. Thank you for your clarification on that. You were asked whether you had been to New York and you mentioned that you lived in the meatpacking district. When was it that you were living in the meatpacking district?

A. I lived in Queens, in Forest Hills.

Q. Roughly when, time period?

A. 1980. I left school and went to New York and worked in an Irish bar in Woodside.

Q. In the 1980s?

A. Yes.

48. From these exchanges it is clear that Mr Wright lived in New York in a time period before the opponent's bar was opened. However, that is not to say that Mr Wright has not been back since.

49. I do not intend to summarise any further aspects of the cross-examination, they do not, in my view, improve either parties' case.

50. I have considered all the evidence and factored in Mr Wright's cross examination. My finding, in terms of Mr Wright's knowledge, is that Mr Wright did know of the

opponent's business when he adopted the mark for himself. My primary reasons for coming to this finding are that:

- i) The opponent's *prima facie* case is strong. Whilst not impossible, it is highly improbable that another business would come up with exactly the same name (a name which is fairly unusual) together with similar theming.
- ii) The written evidence of Mr Wright is limited in weight given what he said about how it was put together.
- iii) The answers during cross-examination as to the coining of the mark were not convincing.
- iv) Mr Wright's failure to accept that the new venue had a key motorcycling theme (another theme associated with the opponent) lacked conviction.
- v) The barman's account adds to the probability of copying having taken place.
- vi) Whilst Mr Wright may have lived in New York prior to the opponent's business starting, he may have returned at a later date. The comments of the barman support that he did.

51. For these reasons combined, I disbelieve Mr Wright's evidence that he coined the name independently. My finding is that he knew of the opponent's name and theming when he adopted the mark himself.

What was Mr Wright's motivation?

52. Mr Longstaff submitted:

"We cannot say with any certainty what was in Mr. Wright's head, but we do say that it does not matter whether he was intending actually to proceed on the basis of sufficient reputation or that he was simply thinking that there was enough of a reputation that it reflected a good

deal of success on the part of those businesses such as would be worth him trying to replicate by taking it. Either one of those, we say, would be enough to motivate him to do what we say he has done.”

53. Given what I have already said in paragraph 36 in relation to the opponent’s bars not being known to any material extent in the UK or Ireland, it follows that it would be too much of an inference to find that Mr Wright was hoping to benefit directly from any awareness of the opponent’s business. It is clear that Mr Wright’s venue would have represented a significant investment on his part. To suggest that this was done partly to benefit from an existing awareness on the part of potential consumers is not made out. However, I think it reasonable to accept the second of Mr Longstaff’s submissions, effectively that the opponent’s business name and model worked from them, so it would likely work for him.

Was Mr Wright’s filing of the subject marks an act of bad faith?

54. The opponent put its case like this in its statement of grounds:

“17. It is evident that such use by the Applicant is a clear attempt to trade on the repute and notoriety of the Opponent, including through its licensee, in connection with the bars operating under the HOGS & HEIFERS Marks. The activities of the Applicant set out in the points above make it clear that the Applicant must have been aware of the Opponent’s rights and that use by Applicant would be liable to mislead the public as to the origin of the goods/services offered under the mark. The Applicant’s behaviour falls short of what would be considered “acceptable commercial behaviour” in this particular area. This must have been clear to the Applicant.

18. The Applicant is attempting to utilise its Irish and UK trade mark applications noted above, including the application subject of this Opposition, as a basis to oppose the Opponent’s legitimate rights to seek to register further marks consisting of the element HOGS & HEIFERS. The opposition No. B2345505 against the Opponent’s CTM application No. 12416277 indicates an intention

to disrupt the activities of the Opponent, including disrupting the merchandising and licensing activity of the Opponent.”

55. The first paragraph of the pleading is based upon a “clear attempt to trade on the repute and notoriety of the Opponent”. Given my finding as regards Mr Wright’s motivation for filing the subject marks, this aspect of the pleaded case must fail.

56. Mr Longstaff gave, essentially, three further reasons why Mr Wright’s conduct had fallen below the standards of acceptable commercial behavior. First, Mr Wright had taken not only the opponent’s name, but also its business theming. Second, the consequence of monopolizing the name in the UK would result in excluding everyone else, including the opponent (from whom the name was taken), from registering/using the mark in the UK (and as a CTM). Third, that the opponent’s business was of such a nature that Mr Wright would have known that there was a legitimate interest in expanding abroad and that he would be shutting the opponent out, something which is exemplified by the fact that the applicant has already opposed the opponent’s new trade mark application.

57. Mr Stobbs submitted that the above reasons were not part of the pleaded case. I note that the pleading refers to “an intention to disrupt the activities of the opponent”. Therefore, at least reasons two and three fall, in my view, within the pleading. In relation to the first reason, I agree with Mr Stobbs to some extent. If this were a self-standing reason, this is not covered by the pleading. However, if it were taken as a reason that combines with the latter two, then it is.

58. In relation to the shutting out of a business with a legitimate interest in expanding abroad, this fails on its facts. The opponent has two bars, both in the US. Thus, even in its home country, its expansion is extremely limited. It went from one bar to two in 2005 (some 13 years after the first bar opened), with no expansion since then (the relevant date is 9 years on). Regardless of its celebrity clientele, the facts would not indicate to a reasonable person a business likely to be expanding abroad. That Mr Wright knew of the now revoked CTMs does not assist. As far as he was aware they were unused (in the relevant territory) and signifies no greater likelihood of an imminent expansion.

59. In relation to the monopoly point, similar arguments arise. As I pointed out to Mr Longstaff at the hearing, the whole point of applying for a registered trade mark is to gain a monopoly right to prevent anyone else from using the mark (or something similar) in the same field. Without any form of pre-emptive fettering (dismissed above), applying for the same mark used by another party in another jurisdiction, is not an act of bad faith. Indeed, it makes prudent sense for a businessman to protect a mark he has adopted.

60. Reference is made in the pleading to the “Opponent's legitimate rights to seek to register further marks consisting of the element HOGS & HEIFERS”. This does not assist. Put simply, the opponent has no rights in the UK (or EU), so cannot claim to be the legitimate owner in this territory.

61. The only point I have not dealt with is whether the taking of a name (and parts of a business theme) which is in use in another jurisdiction and applying for that name in this jurisdiction is, in and of itself, an act of bad faith. This, absent any evidence that Mr Wright was attempting to trade off the opponent's notoriety/reputation, is what seems to me to be at the heart of this case. However, as already observed, this is not part of the pleading. This alone would be sufficient, absent a request to amend the pleaded case, to reject the opposition. However, for sake of completeness, I will go on to give my views had the pleading covered the point.

62. As Mr Stobb's submitted, knowledge of a mark being used in other jurisdiction is not enough. Something more is needed. Mr Stobbs referred to the decision of Mr Geoffrey Hobbs QC in the *DAWAAT* case. That case also involved the registration of a mark in the UK which was already in use elsewhere. However, Mr Stobbs stressed that the added factor there, as put by the Hearing Officer at first instance, was that:

“The registered proprietor made its application to register DAAWAT in the UK in order to exploit to its own advantage the knowledge it had gained of the applicant's plans to extend its trade to Europe. The commercial advantage to be gained by the registered proprietor was to be achieved by closing off the possibility of the applicant extending its use of its DAAWAT mark to the UK without the registered proprietor's consent”

63. In the *Dawaat* case, Mr Hobbs analyzed the interaction between section 3(6) of the Act and Article 4(4)(g) of the Directive, an optional provision that was not adopted into UK law:

“105. But what would it add to the operation of those objections if it was adopted? In order to answer that question it is necessary to identify the mischief at which Article 4(4)(g) is directed. My conclusion is that the Article focuses upon the propensity of a mark to cause confusion outside the Member State in which it has been put forward for registration and treats that propensity as a vice if the applicant for registration can be shown to have been seeking to capitalise upon it and was therefore acting in bad faith. It thus provides a measure of domestic redress for harm in the form of a likelihood of foreign confusion c.f. *Walker & Sons Ltd v. Henry Ost & Co. Ltd.* [1970] RPC 489.

106. By contrast, Articles 3(2)(d) and 4(2)(d) (Sections 3(6) and 6(1)(c) of the Act) revolve around matters which touch and concern the acceptability of claims for protection in respect of trading activities within the territorial limits of the disputed registration of *Ajlan Bin Abdullaziz Al-Ajlan & Bros Application* [2000] ETMR 710. They do not purport to legislate for the acceptability of claims elsewhere and do not treat foreign legitimacy or illegitimacy as conclusive of the position in the Member State where registration has been requested. The non-implementation of Article 4(4)(g) in the 1994 Act appears to confirm that Parliament intended to create no extra protection for foreign interests.

107. The domestic perspective of the objection under Section 3(6) was correctly recognized in paragraph 17 of the Principal Hearing Officer’s decision: *“In my view a vague suspicion that a foreign proprietor may wish to extend its trade to the UK is insufficient to found an objection under Section 3(6).”*

108. Whilst it might be possible to interpret Article 3(2)(d) and Section 3(6) restrictively so as to confine their operation to matters arising between applicants and the Registrar, I do not think it would be right to limit the operation of the objection in that way.

109. An applicant for registration wishes, in effect, to restrict the freedom of action of others in the area of economic activity represented by the goods or services specified in his claim for protection. It would be odd if the effect of registration upon other people's freedom of action had to be disregarded when assessing whether a claim for protection was open to objection on the ground of bad faith under Section 3(6). The objection would, on that basis, be narrower in scope than the claim for protection to which it applied. I cannot believe that the Community legislature intended that to be the case.

110. In my view Section 3(6) allows objections on the ground of bad faith to be raised in relation to matters arising between applicants and third parties as well as in relation to matters arising between applicants and the Registrar. This accords with the practice of the Community Office under the parallel provisions of Article 51(1)(b) of the Community Trade Mark Regulation."

64. Whilst, therefore, section 3(6) is not limited to issues arising between trade mark applicants and the register, and that the ground may also be relied upon to deal with issues that arise between applicants and third parties, it is equally clear, as Mr Hobbs put it, that "The non-implementation of Article 4(4)(g) in the 1994 Act appears to confirm that Parliament intended to create no extra protection for foreign interests".

65. That does not mean that a foreign trade mark owner cannot succeed under section 3(6), but it seems to be the case that some other form of improper conduct is required beyond mere knowledge of use of the mark in another territory. I have already explained what that added conduct was in the *Dawaat* case. In terms of a foreign trader, I also note the decision of Professor Ruth Annand in *Ajit Weekly* in which she upheld a bad faith claim brought by the proprietor of a newspaper which was well-known in the Punjab:

"47. The Hearing Officer held that because of his background Dr. Bains (and hence the Registered Proprietor) must have been well acquainted with the Applicant's AJIT logo/trade mark for newspapers. Dr. Bains must have been aware that the Applicant's AJIT logo in relation to newspapers would be widely known amongst the UK's Punjabi Community and that the registration and use

of the mark in suit would result in confusion and deception to the detriment of the Applicant. Registration of the mark in suit would also have prevented the Applicant from continuing to sell (directly or indirectly) its newspapers under its mark in the UK. A person in the position of the Registered Proprietor adopting proper standards (although Dr. Bains might himself have thought that this was a natural progression of the Registered Proprietor's North American business) would not have applied for a monopoly, which would present these effects. In my judgment, the Hearing Officer was entitled to conclude in the light of his findings that UK Trade Mark Registration No. 2283796 was applied for in bad faith.

66. In the present case, there are no plans for the opponent to expand into the UK (or at least none have been shown) and no reason why Mr Wright will have assumed that there was to be an expansion. There has been no contact between the parties and I have dismissed the fettering argument. The application was not motivated to cause confusion or deceive members of the public. It is difficult to see on what basis the opponent could succeed when the territorial nature of trade marks is taken into account. The added factor put forward is that not only has the opponent's trade mark been copied, but also the themes of its business. Whilst Mr Wright's bar/restaurant is not in my view a carbon copy of the opponent's bar, it is nevertheless clear, as I have already accepted, that certain key theming has been copied. However, this, in my view, takes the opponent no further forward. Copying as such is not unlawful or dishonest. The opponent has no legal right which protects the theme of its US bars. The territorial factor means that its US trade mark rights have no application in the UK. Therefore there is no form of improper conduct by the applicant. I am not aware of any decided case that has decided differently in analogous circumstances, Mr Longstaff did not bring any to my attention either. At worst, businessmen in the relevant field may regard what Mr Wright has done as sharp practice, but it is no more than that.

Conclusion

67. The sole ground under section 3(6) is dismissed.

Costs

68. Mr Wright has succeeded and is entitled to a contribution towards his costs. My assessment is set out below. I should stress, though, that I have not awarded anything to Mr Wright in terms of filing his evidence (or cross-examination) as the most relevant parts of this have been disbelieved. I have, though, made an award for considering the opponent's evidence.

Preparing a statement and considering the other side's statement - £300

Considering evidence - £400

Attending the hearing - £500

69. I therefore order Dell Enterprises LLP to pay Mr Michael Wright the sum of £1200. This should be paid within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 8th day of April 2016

Oliver Morris

For the Registrar,

The Comptroller-General