

**O-204-16**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF TRADE MARK APPLICATION 3083258  
BY MAHMOOD SHAFI, BUSHRA SHAFI & YASSER SHAFI  
TO REGISTER THE FOLLOWING TRADE MARK IN CLASS 24:**



**AND**

**OPPOSITION THERETO (NO. 404054) BY  
MAGELLAN TEXTILE HOLDINGS LIMITED**

## **Background and pleadings**

1. Trade mark 3083258 was filed on 26 November 2014 and published for opposition purposes on 26 December 2014. There are three joint applicants: Mahmood Shafi, Bushra Shafi and Yasser Shafi (“the applicants”). The mark and the goods for which registration is sought are:



**Class 24:** Household textile articles; bed clothes; bed covers, bedspreads, eiderdowns, duvets, duvet covers, quilts, quilt covers, valanced bed sheets and covers; pillowcases; curtains, towels, wall hangings, wall coverings; cushion covers, upholstery fabrics and covers; textile piece goods; blankets; bedspreads and mattress covers; and pillow cases and bolster cases; blinds made wholly or principally of textile materials; piece goods of textile materials and household textile articles; towels, duvets, textiles and textile piece goods not included in other classes; bed and table covers; artificial silk piece goods; bed sheets, pillow cases, bolster cases, pyjama cases and nightdress cases, all made wholly or principally of artificial silk; hygienic and anti-allergy covers for pillows, bed blankets and mattresses, hygienic and anti-allergy covers and fitted sheets for mattresses; household linen; loose covers for furniture; napkins, serviettes, table mats, table runners, table cloths; table covers; oven gloves gloves and handkerchiefs.

2. The opponent is Magellan Textile Holdings Limited. In summary, its pleaded grounds of opposition are:

- i) Section 5(2)(b) of the Trade Marks Act 1994 (“the Act”) in that there is a likelihood of confusion with the opponent’s earlier European Union Trade Mark (“EUTM”) (no. 908426) which consists of the word COURTAULDS.
- ii) Section 5(3) of the Act in that the applicants’ mark would take unfair advantage or would be detrimental to the distinctiveness and/or repute of the opponent’s earlier EUTM.
- iii) Section 5(4)(a) of the Act in that the use of the applied for mark would deceive members of the public into believing that the applicants’ goods are those of the opponent. The opponent relies on the use of the sign COURTAULDS since 1794 for goods including fabric, textiles and clothing.
- iv) Section 5(4)(b) of the Act in that the use of the applied for mark would breach the law of copyright. It is claimed that the shield (or something very similar to it) in the applied for mark is similar to a shield created by the opponent. The shield is claimed to be a historical one, but a later revision of it was created by an employee of the opponent in February 2014 and goods bearing it sold in October 2014.
- v) Under section 3(6) of the Act in that the applicant has applied to register the subject mark along with other marks containing the word COURTAULDS (including COURTAULDS Est 1794) and have also made use of the opponent’s historical shield. It claimed that there is no good reason for this.

3. In relation to the earlier EUTM of the opponent, I note that it was filed on 17 August 1998. It contains four (UK) seniority dates, the earliest dating from 1928. The EUTM was registered on 17 October 2001. The opponent relies on the following goods for which it is registered:

**Class 24:** Textiles and textile piece goods, not included in other classes; bed and table covers.

**Class 25:** Clothing

4. An earlier mark which has been registered for five years or more (as of the date of publication of the applied for mark) can only be relied on in opposition proceedings if it has been put to genuine use in the five years prior to date of publication<sup>1</sup>. This is applicable to the opponent's EUTM. The opponent made a statement of use claiming that its mark has been used (and has a reputation) in relation to the following goods:

“Textile and textile piece goods; clothing”

5. The consequence of the above is that the opponent cannot rely on its earlier EUTM to the extent that it is registered for bed and table covers, because the opponent does not even claim that it has used the mark on such goods.

6. The applicants filed a counterstatement. They put the opponent to proof of use. The main points in defence are that:

- i) Their soft furnishings are not similar to the opponent's goods.
- ii) The opponent's use is historical, not current and there is no use on the opponent's bed and table covers.
- iii) The applicant's goods are finished articles not textile or textile piece goods.
- iv) The marks are not similar.
- v) The opponent's mark is out of the public eye so will not be known and will not cause any damage or take unfair advantage.
- vi) There will be no deception because consumers can easily find the origins of competing brands.
- vii) There will be no deception as the opponent's mark has not been used for a long time, the opponent has not used it since acquiring it in 2006 and its predecessors were supplying goods under retailers' own brands.

---

<sup>1</sup> As per section 6A of the Act

- viii) The applicants found no use of the opponent's mark in certain high street stores.
- ix) The application was not made in bad faith. It was chosen as “..this was closest to the goods that are to be sold and it would be the least objectionable. ....there was no recorded registration of this logo”.
- x) The opponent should have opposed another mark (SAMUEL COURTAULDS) which matches more closely the opponent's goods.
- xi) The shield in the applicants' mark is not a copy, as this would imply that they had seen the logo of the opponent. They add “The opponent's goods are nowhere to be seen bearing this or any logo”.

7. The applicants are self-represented. The opponent is represented by Potter Clarkson LLP. The opponent filed written submissions and evidence. The applicants filed evidence. The matter came to be heard before me on 8 April 2016 at which the opponent was represented by Mr Sanjay Kapur of Potter Clarkson LLP. The applicants did not attend the hearing, nor were written submissions filed in lieu.

### **The opponent's evidence**

8. This opponent has two witnesses, Mr Kapur of Potter Clarkson LLP and Mr Mark Redler of CUK Clothing Limited (“CUK”). I will summarise Mr Redler's evidence first.

9. Mr Redler explains that he is Design Director of CUK, a wholly owned subsidiary of Kadima Holdings Limited, which, in turn, is a wholly owned subsidiary of the opponent. CUK was “formed out of the business that was founded by George Courtauld in the 1700s” and “[s]ince that time, the business has undergone numerous changes in owner and brand development”. CUK was previously named Courtaulds (UK) Limited. It was incorporated in April 2006 and its name changed on 29 June 2010<sup>2</sup>. Intellectual property owned by companies in the group can be used, with consent, by the others.

---

<sup>2</sup> See exhibit MK1

10. Reference is made to Exhibit MK2 which comprises an extract from the British Industrial Historical website, Grace's Guide. I note from the exhibit that Grace's Guide describes itself as "...the leading source of historical information on industry and manufacturing in Britain". In relation to "Courtaulds", the following appears:

**"Courtaulds** was a manufacturer of fabric, clothing, artificial fibres and chemicals"

11. I note from the above the use of the word "was". The extract continues with various milestones and historical events. The latest event listed was in 1968 when Courtaulds made a bid for International Paints. Mr Redler highlights the use of a crest in some of the historical images used in the extract.

12. Mr Redler explains that at the end of 2013, CUK wanted to pay recognition to historical names and brands that were connected with the Courtaulds' business. An example is given of the trade mark SAMUEL COURTAULDS being filed as an EUTM on 3 October 2013<sup>3</sup>. That mark was filed by Montfort Services Sdn. Bhd. ("Montfort"), a company with an (unexplained) connection to CUK and the opponent. Monfort have also opposed the applicants' mark on the basis of this EUTM<sup>4</sup>. Mr Redler states that at the beginning of January 2014, a decision was made to re-introduce the historical COURTAULDS' crest that had been used by the predecessors of the business. It is later stated that it was used by the business in the early 1900s. MK4 contains a representation of an advertisement said to be from the early 1900s. In terms of the re-design, Exhibit MK5 consists of an email sent by Mr David Henson on 6 February 2014 to Mr Mark Revel and copied to Mr Redler (and one other person). The text of the email reads "Please find attached the new (old) Courtaulds logo". In the email, Mr Henson's salutation describes himself as "Designer" at CUK". Mr Redler states that Mr Henson was a designer employed by CUK, who started his employment in 2006. In further emails of the same date (Exhibit MK6) Mr Henson states that the logo was "based on a historical courtaulds logo". Exhibit MK7 contains emails sent by Mr

---

<sup>3</sup> EUTM 12194528 as shown in Exhibit MK3 – this is the mark mentioned in the applicants' counterstatement.

<sup>4</sup> At the time of writing, the proceedings concerned with that opposition have been heard, but no decision yet issued.

Henson to The Silver Birches Label Co on 14 March 2014 ordering 2500 sew in labels featuring the logo. Mr Henson left CUK in September 2014. Mr Redler states that the copyright in the logo will have passed to CUK given that it was created during the tenure of Mr Henson's employment.

13. Mr Redler notes that the date of filing of the applied for mark is after the date on which the revised logo was created. He states that there is no good reason why a third party who is totally unconnected with the opponent's business would adopt, use, and register a very similar logo. He notes, again, that it is based on the previous logo of the business but adds that "due to the various transactional changes" it is not possible to locate the individual who created the original logo, nor when it was created, nor whether copyright has expired.

14. Information regarding recent sales is then given. It is stated that during 2014 a total of around 10,000 garments were sold, 5,000 packs which each contain two garments. The retail value was almost £50,000. In 2015, 20,000 garments (10,000 packs) have been sold with a retail value of just over £100,000. The garments are items of men's underwear. Mr Redler states that the retailer TKMaxx is one of the main high street outlets through which the goods are sold. It is stated that such establishments offer a range of goods including bed sets. Exhibit MK8 contains prints from the website of TKMaxx supporting this. Mr Redler states that customers who purchase the opponent's goods under the Courtaulds' crest and who then see the logo applied to the goods of the applied for mark, would assume that there is a connection between the two. He states that consumers would be deceived and misled, particularly "...having regard to the longstanding association of the COURTAULDS name and the use of the COURTAULDS crest".

15. Exhibit MK9 contains the opponent's current packaging. A stylised version of the word Courtaulds appears thereon. The redesigned logo also features prominently. Exhibit MK10 contains what Mr Redler states is the applicants' packaging they intend to launch. It is for bedding and features the word COURTAULDS along with the logo the subject of the applied mark. Mr Redler states that the crests are very similar. Mr Redler states that the opponent intends to extend its product range and has, for example, already taken orders for women's lingerie.

16. I now turn to the evidence of Mr Kapur. He has acted for the opponent and its predecessors for approximately 20 years. His evidence relates to the opponent's allegation of bad faith. He firstly touches on the history of the COURTAULDS' brand. He states that Samuel Courtauld (from the evidence in Grace's Guide, this is the son of George Courtauld, as mentioned earlier) was an industrialist born in 1793 and died in 1881. He developed the family firm, Courtaulds, to become, Mr Kapur states, "...one of the most famous names in the textile business in the UK". He refers to published material including material from a publication called Spartacus Educational which shows that the business employed around 2500 people in the mid-1880s and was a renowned producer of silk fabric. The business has undergone a number of transactional changes over the years but, Mr Kapur states, "to this day the COURTAULDS name is synonymous with the areas of fabrics, textiles and clothing". Exhibit SK1 contains an extract from the website of the Courtauld Institute of Art which took its name from the Courtauld family. In fact, the name was taken due to one of its founders being a member of the Courtauld family. He was also called Samuel Courtauld, albeit he was the great nephew of the Samuel Courtauld mentioned above. According to a Wikipedia entry that is also provided in SK1, Samuel Courtauld [Jnr] is best remembered as an art collector.

17. Mr Kapur states that, historically, successful families, individuals and companies often created coats of arms, something which the Courtaulds did. He states that the adoption of the crest in the applied for mark brings the marks closer together, suggesting that the applicant has a heritage which it does not possess. He questions "why else would the applicant adopt it if not to try to associate itself with the Courtaulds business/legacy?"

18. Exhibit SK2 is an extract from Grace's Guide as referred to earlier. Mr Kapur highlights the history of the business and the use of its crest. He sees no justifiable reason for the applicants to have adopted the crest which has been historically used by the opponent's predecessor and that the applicants have simply sought to copy and emulate it.

19. Mr Kapur states that the applied for goods are closely allied with the class 24 goods of the opponent's registration. In relation to the opponent's goods in class 25,



he states that it is quite usual for the same brands to be registered in relation to goods in classes 24 and 25. He gives examples of designer brands such as Armani, Boss, and Ralph Lauren and, also, what he describes as household or mainstream brands such as M&S, John Lewis, Linea and Jasper Conran. Exhibit SK3 contains supporting website prints showing that some of these undertakings sell clothing and bed linen under the same marks. Exhibit SK4 contains trade mark registration details of brands that are registered in classes 24 and 25. Mr Kapur adds that it has been generally held that class 24 and 25 goods are similar. I will come back to the submissions on this later.

20. Mr Kapur states that at least two of the joint applicants have been active in the textile and fabrics business for at least 20 years. This statement is based upon two of the joint applicants (Mahmood and Yasser Shafi) having filed a trade mark in 1996 for goods which include goods in class 24. Mr Kapur considers it highly likely that individuals who are active in the fabrics and textiles business would be “fully aware of the significant part that the COURTAULDS brand has played at the forefront of the UK textiles business.” It is stated that the application was motivated by a deliberate attempt to trade upon the COURTAULDS legacy and name by unfairly drawing on and profiting from that name. Mr Kapur considers this to be dishonest and to be contrary to acceptable commercial behaviour.

21. Mr Kapur highlights that the applicants applied for a number of other COURTAULDS marks (now withdrawn), including COURTAULDS EST. 1794, as further proof of the applicants’ intentions. They also applied for SARA LEE COURTAULDS, a name (no longer used) by another company related to the opponent. Sara Lee Corp acquired Courtaulds (Textiles) Holdings Limited in 2000 but sold some of its assets in 2006. It did have a EUTM for this mark, but it lapsed in 2011.

22. Mr Kapur states that the applicants are attempting to register marks which are, or have been, of historical importance in the UK in connection with fabrics and textiles. Another example is provided in that the applicants also applied for the mark HORROCKSES THE GREATEST NAME IN COTTON<sup>5</sup> (the mark also includes the

---

<sup>5</sup> Trade mark application 3083070, filed on 25 November 2014, but subsequently withdrawn.

text Horrockses, Crewdson and Co). It is explained that Horrockses was established in 1791 and became pioneers in the manufacturing of cotton. In 1997 it merged with two other cotton spinning companies to form Horrockses, Crewdson & Co. Exhibit SK9 contains an extract from Grace's Guide about the history of this business, the latest historical milestone is from the 1940s. Exhibit SK10 contains the details of 23 lapsed registrations containing the word HORROCKSES which Mr Kapur understands to have been registered by companies that were the successors of the original business. The most recent one to have lapsed, lapsed in 2000. The rest of Mr Kapur's evidence consists of submission and case-law, which I will bear in mind.

### **The applicants' evidence**

23. This comes in the form of a witness statement from one of the joint applicants, Mr Mahmood Shafi. He states that he has worked in the soft furnishings and household textiles industry for 38 years and in this time has never come across the brand COURTAULDS in the soft furnishings industry. He recounts that while he was recovering from an illness (he does not say when this was) he came across a newspaper article on the Internet which stated that the last factory (in Leicester) of Courtaulds had closed in the late 1990s and that this factory previously produced tights and stockings. Another newspaper article stated that another factory (in Coventry) previously owned by Courtaulds had been given planning permission for demolition and for the building of new residential homes. Mr Shafi carried out an Internet search for goods on sale under the names Courtaulds and Courtaulds Textiles/Fabrics, nothing was found. Exhibit MS1 is a Google search report for the term "courtaulds" which Mr Shafi highlights shows no goods for sale. There are references to the old Courtaulds' business in the form of, for example, a link to the Wikipedia website and Grace's Guide. He states that he then applied to register the mark together with a logo in the form of a shield. Mr Shafi states that he also searched the IPO website to see if the logo in the form of a shield was registered by anyone, no records were found.

24. Mr Shafi comments on Mr Redler's evidence. He questions how Mr Redler could have worked for CUK since March 2005 (something stated by Mr Redler in his witness statement) when the company was not actually incorporated until 2006. He also noted

Mr Redler's own evidence that the business is a historical one. He refers to Mr Redler's statement that CUK wished to re-introduce historical brands and that in the email from Mr Henson, the new logo is based upon a historical logo.

25. In relation to the crest, Mr Shafi states that he carried out a search to see if it was a family crest and/or if it was a crest of the Courtaulds' company. He found no records. However, what search he carried out is not clear. He states that he did not know of the logo created by Mr Henson when the application was made and that when he conducted his searches before the application was filed he found no goods for sale or advertisements featuring the crest. He states that he had been to retailers such as Debenhams, House of Fraser and Selfridges as these are the sorts of establishment that would sell well-known and designer labels, he found nothing.

26. In relation to Mr Redler's evidence of sales, Mr Shafi states that nothing has been filed to show that any transaction took place, such as invoices, stock reports etc. He states that the retail value may have been marked down and notes, anyway, that the only goods sold are men's boxer shorts which fall in class 25. He also notes that Mr Redler has not identified any other retailers, beyond TKMaxx, where the goods may have been sold. He states that he has been to TKMaxx stores and looked on-line and could not find the opponent's products. He apparently asked staff in two stores if they stocked the brand, the sales assistants had apparently not heard of them. Reference is made to the TKMaxx website which does not carry the product (Exhibit MS2 refers). He adds that the photograph of the goods provided by Mr Redler depicts a squashed box from which Mr Redler speculates that the goods are not current.

27. Mr Shafi refers to pictures of the applicants' product (as provided by Mr Redler) which he notes are in class 24 not class 25. He makes a number of points all of which repeat his earlier comment that the Courtaulds' name/crest is historical not current. He contrasts this with the applicants' use (albeit for different brands) which is current (evidence provided in Exhibit MS3).

28. Mr Shafi states that the application was not filed in bad faith. This statement is based upon his understanding that bad faith relates to having no intention to use the mark or otherwise filing it in order to take advantage of an existing trade mark's

popularity. He clearly does not believe this to be the case. In terms of intention to use, he refers to the product photographs in the opponent's evidence of the applicant's goods. In terms of the popularity point, he states that he conducted a small survey with some members of the general public and traders. They replied that they had not heard of Courtaulds. This apparent survey carries no weight. First, permission to introduce a survey has not been made, second, there is no methodology provided.

29. In relation to Mr Redler's evidence relating to Hugo Boss, Armani etc, Mr Shafi states that these are extremely popular and well-known brands. If anyone tried to register such marks he agrees that this would be an act of bad faith. He states that searches for such brands bring up a multitude of products, unlike the Courtaulds' name. He adds that other brands produced by the opponent (he names GOSSARD, BERLEI and PRETTY POLLY), are all sold by a number of retailers, unlike COURTAULDS.

30. Mr Shafi concludes his evidence by stating that the opponent has failed to show that the COURTAULDS' name is very famous and has an inherent value. He highlights that they even changed their company name from Courtaulds to CUK Clothing which demonstrates that it is distancing itself from the name. It seems to Mr Shafi that the opponent does not want anyone else to use the name but are not using it themselves, despite having it registered for some time.

### **Opponent's reply evidence**

31. Mr Redler filed a second witness statement, the pertinent contents include:

- i) Confirmation that he has worked for CUK from December (not March) 2005. This, though, does not answer the problem because CUK was not incorporated until 2006. Mr Redler provides a document in Exhibit MK11 showing his employment in December 2005, but this seems to be a related company not CUK. However, I do not consider this to cast any doubt on the veracity of the evidence he has given.

- ii) Further comments highlighting that the logo created by Mr Henson was created prior to the application date.
- iii) Copy purchase orders in relation to sales made to TJX Europe (based in Herts) a company related to TKMaxx. The orders are dated 6 June 2014, with the shipment dates appearing to be 2 September 2014. The order forms are provided, which appear to cover the 5000 units Mr Redler referred to in his first witness statement. An example of the product on sale in TKMaxx is also provided showing a price of £9.99, a reduction from the RRP of £26.

32. Mr Kapur also filed a second witness statement, the pertinent contents include:

- i) That Mr Shafi has admitted to making the application after reading articles about the demise of the opponent's factories. This, Mr Kapur states, supports bad faith, as he was seeking to capitalise on the misfortune of the opponent and seeking to take advantage of the opponent's goodwill and notoriety.
- ii) Mr Shafi has not explained why he adopted the mark, nor explained why the other marks mentioned in Mr Kapur's witness statement were filed.
- iii) That the visits to Debenhams, House of Fraser and Selfridges are not exhaustive searches. He notes, as I have done, that the searches conducted by Mr Shafi with regard to the crest are not explained.
- iv) That TKMaxx has 280 stores and that a visit to two geographically close stores is not a detailed study of the market place. He states that the mark has been used (as per Mr Redler's evidence) and that this evidence was filed to show the strong association that the opponent has with the COURTAULDS' trade mark and that the applicants' use is an attempt to ride on its coattails.
- v) The change of name to CUK Clothing does not show a lack of interest. To show its interest, Mr Kapur provides in Exhibit SK12 a list of various

COURTAULDS' marks owned by the opponent or related companies around the world.

### **The proof of use provisions**

33. The opponent relies on the same earlier mark for both the section 5(2)(b) and 5(3) grounds of opposition. That mark, an EUTM, must meet the use conditions set out in section 6A of the Act, which read:

“(3) The use conditions are met if –

(a) within the period of five years ending with the date of publication of the application the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered [.....]”

(4) For these purposes -

(a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered [.....]

(5) “In relation to a Community trade mark [.....], any reference in subsection (3) [.....] to the United Kingdom shall be construed as a reference to the European Community”.

34. Section 100 is also relevant, which reads:

“If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it.”

35. In *The London Taxi Corporation Limited v Frazer-Nash Research Limited & Anor*, [2016] EWHC 52, Arnold J. summarised the case-law on genuine use of trade marks:

“217. In *Stichting BDO v BDO Unibank Inc* [2013] EWHC 418 (Ch), [2013] FSR 35 I set out at [51] a helpful summary by Anna Carboni sitting as the Appointed Person in *SANT AMBROEUS Trade Mark* [2010] RPC 28 at [42] of the jurisprudence of the CJEU in Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, Case C-259/02 *La Mer Technology Inc v Laboratories Goemar SA* [2004] ECR I-1159 and Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759 (to which I added references to Case C-416/04 *P Sunrider Corp v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [2006] ECR I-4237). I also referred at [52] to the judgment of the CJEU in Case C-149/11 *Leno Merken BV v Hagelkruis Beheer BV* [EU:C:2012:816], [2013] ETMR 16 on the question of the territorial extent of the use. Since then the CJEU has issued a reasoned Order in Case C-141/13 *P Reber Holding & Co KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [EU:C:2014:2089] and that Order has been persuasively analysed by Professor Ruth Annand sitting as the Appointed Person in *SdS InvestCorp AG v Memory Opticians Ltd* (O/528/15).

[218] ...

219. I would now summarise the principles for the assessment of whether there has been genuine use of a trade mark established by the case law of the Court of Justice, which also includes Case C-442/07 *Verein Radetsky-Order v Bunderversammlung Kamaradschaft 'Feldmarschall Radetsky'* [2008] ECR I-9223 and Case C-609/11 *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], [2014] ETMR 7, as follows:

(1) Genuine use means actual use of the trade mark by the proprietor or by a third party with authority to use the mark: *Ansul* at [35] and [37].

(2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Centrotherm* at [71]; *Leno* at [29].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Centrotherm* at [71]; *Leno* at [29].

(4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: *Ansul* at [37]. Internal use by the proprietor does not suffice: *Ansul* at [37]; *Verein* at [14]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle* at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].

(5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d'être* of the mark, which is to create or preserve an outlet for the goods or services that bear the mark: *Ansul* at [37]-[38]; *Verein* at [14]; *Silberquelle* at [18]; *Centrotherm* at [71].

(6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence that the proprietor is able to provide; and (g) the territorial extent of the use:



*Ansul* at [38] and [39]; *La Mer* at [22]-[23]; *Sunrider* at [70]-[71], [76]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34]; *Leno* at [29]-[30], [56].

(7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor. Thus there is no *de minimis* rule: *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72]; *Leno* at [55].

(8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [32].”

36. As the earlier mark is an EUTM, in accordance with section 6A(5) of the Act, the earlier mark must have been put to genuine use in the EU. In its judgment in *Leno Merken BV v Hagelkruis Beheer BV* C-49/11 (ONEL) the CJEU stated:

“28 The Court has already - in the judgments in *Ansul* and *Sunrider v OHIM* and the order in *La Mer Technology* - interpreted the concept of 'genuine use' in the context of the assessment of whether national trade marks had been put to genuine use, considering it to be an autonomous concept of European Union law which must be given a uniform interpretation.

29 It follows from that line of authority that there is 'genuine use' of a trade mark where the mark is used in accordance with its essential function, which is to guarantee the identity of the origin of the goods or services for which it is registered, in order to create or preserve an outlet for those goods or services; genuine use does not include token use for the sole purpose of preserving the rights conferred by the mark. When assessing whether use of the trade mark is genuine, regard must be had to all the facts and circumstances relevant to establishing whether there is real commercial exploitation of the mark in the

course of trade, particularly the usages regarded as warranted in the economic sector concerned as a means of maintaining or creating market share for the goods or services protected by the mark, the nature of those goods or services, the characteristics of the market and the scale and frequency of use of the mark (see *Ansul*, paragraph 43, *Sunrider v OHIM*, paragraph 70, and the order in *La Mer Technology*, paragraph 27).

30 The Court has also stated that the territorial scope of the use is only one of several factors to be taken into account in the determination of whether that use is genuine or not (see *Sunrider v OHIM*, paragraph 76).

31 That interpretation may be applied by analogy to Community trade marks since, in requiring that the trade mark be put to genuine use, Directive 2008/95 and Regulation No 207/2009 pursue the same objective.”

37. Regarding the territorial scope of the use, the CJEU went on to state:

“52 Some of the interested persons to have submitted observations to the Court also maintain that, even if the borders of the Member States within the internal market are disregarded, the condition of genuine use of a Community trade mark requires that the trade mark should be used in a substantial part of the Community, which may correspond to the territory of a Member State. They argue that such a condition follows, by analogy, from Case C-375/97 *General Motors* [1999] ECR I-5421, paragraph 28, Case C-328/06 *Nieto Nuño* [2007] ECR I-10093, paragraph 17, and Case C-301/07 *PAGO International* [2009] ECR I-9429, paragraph 27).

53 That argument cannot be accepted. First, the cases in question concern the interpretation of provisions relating to the extended protection conferred on trade marks that have a reputation or are well known in the Community or in the Member State in which they have been registered. However, the requirement for genuine use, which could result in an opposition being rejected or even in the trade mark being revoked, as provided for in particular in Article

51 of Regulation No 207/2009, pursues a different objective from those provisions.

54 Second, whilst it is reasonable to expect that a Community trade mark should be used in a larger area than a national mark, it is not necessary that the mark should be used in an extensive geographic area for the use to be deemed genuine, since such a qualification will depend on the characteristics of the product or service concerned on the corresponding market (see, by analogy, with regard to the scale of the use, *Ansul*, paragraph 39).

55 Since the assessment of whether the use of the trade mark is genuine is carried out by reference to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark serves to create or maintain market shares for the goods or services for which it was registered, it is impossible to determine a priori, and in the abstract, what territorial scope should be chosen in order to determine whether the use of the mark is genuine or not. A *de minimis* rule, which would not allow the national court to appraise all the circumstances of the dispute before it, cannot therefore be laid down (see, by analogy, the order in *La Mer Technology*, paragraphs 25 and 27, and the judgment in *Sunrider v OHIM*, paragraphs 72 and 77)."

38. I am aware of the *The Sofa Workshop Ltd v Sofaworks Ltd* [2015] EWHC 1773 (IPEC) case where Judge Hacon suggested that in relation to an EUTM, genuine use must extend beyond one Member State. However, there are conflicting judgments in relation to such a principle. For example, in *Now Wireless Ltd v OHIM*, Case T-278/13, the General Court accepted that use of an EUTM for internet and computing services provided in London and the Thames Valley constituted genuine use of the EUTM in the EU so I do not consider myself bound by the findings of Judge Hacon.

39. In *Reber Holding GmbH & Co. KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (OHIM), Case T-355/09, the General Court found that the sale of 40-60Kg per annum of specialist chocolate under a mark was insufficient to constitute genuine use of a national trade mark, which was registered in Germany. On

further appeal in Case C-141/13 P, the CJEU stated, at paragraph 32 of its judgment, that:

“not every proven commercial use may automatically be deemed to constitute genuine use of the trade mark in question”. (paragraph of the judgment).

The CJEU found that:

“the General Court conducted an overall assessment of that trade mark, taking into account the volume of sales of the goods protected by the trade mark, the nature and characteristics of those goods, the geographical coverage of the use of the trade mark, the advertising on the website of Paul Reber GmbH & Co. KG and the continuity of the trade mark’s use. It thus established a certain degree of interdependence between the factors capable of proving genuine use. The General Court therefore correctly applied the concept of ‘genuine use’ and did not err in law in its assessment of that use” (paragraph 34 of the judgment CJEU).

40. Proven use of a mark which fails to establish that “*the commercial exploitation of the mark is real*” because the use would not be “*viewed as warranted in the economic sector concerned to maintain or create a share in the [European Union] market for the goods or services protected by the mark*” is therefore not genuine use.

### **The relevant period**

41. As per section 6A(3)(a) of the Act, the relevant period in which genuine use must be established is the five year period ending on the date of publication of the applied for mark. Consequently, in these proceedings the relevant period is 27 December 2009 to 26 December 2014.

### **Analysis and findings**

42. Despite Mr Shafi’s criticisms of the evidence, I accept that sales have been made by the opponent to the retailer TKMaxx (via its related company TJX Europe) of goods

bearing the COURTAULDS name. The name is also used on the relevant invoices. I also accept that this represents sales of 5000 units (each containing two pair of men's underpants) to TKMaxx. The sales were made in the last 6 months of the relevant period. However, in terms of sales to the end consumer, I cannot accept that all of the stock sold to TKMaxx was sold on to them during the relevant period. This is because the goods were not due to be shipped until 2 September 2014. It is, therefore, not possible to ascertain, or infer, what proportion of the 5000 units had made its way to the shop floor by 26 December 2014 (the end of the relevant period) and what proportion of that unknown figure was actually sold. The resulting sales could be very low, the opponent should not be able to benefit from its lack of precision.

43. Whilst sales to distributors can count for the purpose of genuine use (as was the case in *La mer* and as was noted by Arnold J in *The London Taxi Corporation*), I nevertheless come to the view that the evidence does not constitute genuine use. I come to this view on account of the low level of sales when contextualised against the EU market, the infrequency of sales during the relevant period, the limited geographical scope given that sales were made to just one undertaking and that, even if (as is likely to be the case) some of the goods were sold on in TKMaxx stores, it is not clear how widely circulated they were in the UK, nor how many were sold. Mr Kapur highlighted at the hearing the large number of TKMaxx stores around the UK, however, it does not follow that the product was stocked in them all. The numbers of shops involved could be quite low; again, the opponent should not be able to benefit from a lack of precision in its evidence. The point regarding geographical scope is even starker when the question is contextualised against the EU market for the goods concerned. Whilst I accept that the use is not sham for the purpose of maintaining the registration, it is nevertheless not sufficient to constitute a form of use warranted in the economic sector concerned for the purpose of maintaining or creating a share in the relevant EU market.

44. The consequence of my finding is that the opponent is not able to rely on its earlier mark and its grounds of opposition under sections 5(2) and 5(3) are dismissed. However, in case of appeal, I will still give my views on these substantive grounds. When doing so, I will consider that genuine use will have been established for men's underwear only. Whilst Mr Kapur hoped that the opponent would be able to rely on a

wider specification, he nevertheless accepted that if this had been a revocation case then the specification would have been cut down accordingly. A restriction to men's underwear is what I consider to be a fair specification having regard to the relevant jurisprudence<sup>6</sup>.

### **Section 5(2)(b)**

45. Section 5(2)(b) of the Act states that:

“5.-(2) A trade mark shall not be registered if because – ..

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.”

46. The following principles are gleaned from the judgments of the EU courts in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P.

(a) The likelihood of confusion must be appreciated globally, taking account of all relevant factors;

(b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to

---

<sup>6</sup> See, for example, *Roger Maier and Another v ASOS*, [2015] EWCA Civ 220, Kitchen L.J

make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

(e) nevertheless, the overall impression conveyed to the public by a composite trade mark may be dominated by one or more of its components;

(f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

(g) a lesser degree of similarity between the goods or services may be offset by a greater degree of similarity between the marks, and vice versa;

(h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;

(i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;

(j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;

(k) if the association between the marks creates a risk that the public will wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

### **Comparison of goods**

47. When making a comparison, all relevant factors relating to the goods in issue should be taken into account. In *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer* the CJEU stated at paragraph 23 of its judgment:

“In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary.”

48. Guidance on this issue has also come from Jacob J In *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281 where the following factors were highlighted as being relevant when making the comparison:

“(a) The respective uses of the respective goods or services;

(b) The respective users of the respective goods or services;

(c) The physical nature of the goods or acts of service;

(d) The respective trade channels through which the goods or services reach the market;

(e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;



(f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.”

49. In terms of being complementary (one of the factors referred to in *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer*), this relates to close connections or relationships that are important or indispensable for the use of the other. In *Boston Scientific Ltd v OHIM* Case T- 325/06 it was stated:

“It is true that goods are complementary if there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking (see, to that effect, Case T-169/03 Sergio Rossi v OHIM – Sissi Rossi (SISSI ROSSI) [2005] ECR II-685, paragraph 60, upheld on appeal in Case C-214/05 P Rossi v OHIM [2006] ECR I-7057; Case T-364/05 Saint-Gobain Pam v OHIM – Propamsa (PAM PLUVIAL) [2007] ECR II-757, paragraph 94; and Case T-443/05 El Corte Inglés v OHIM – Bolaños Sabri (PiraÑAM diseño original Juan Bolaños) [2007] ECR I-0000, paragraph 48).”

50. In relation to complementarity, I also bear in mind the guidance given by Mr Daniel Alexander QC, sitting as the Appointed Person, in case B/L O/255/13 *LOVE* where he warned against applying too rigid a test:

“20. In my judgment, the reference to “legal definition” suggests almost that the guidance in Boston is providing an alternative quasi-statutory approach to evaluating similarity, which I do not consider to be warranted. It is undoubtedly right to stress the importance of the fact that customers may think that responsibility for the goods lies with the same undertaking. However, it is neither necessary nor sufficient for a finding of similarity that the goods in question must be used together or that they are sold together. I therefore think that in this respect, the Hearing Officer was taking too rigid an approach to Boston.”

51. In relation to understanding what terms used in specifications mean/cover, the case-law informs me that “in construing a word used in a trade mark specification, one is concerned with how the product is, as a practical matter, regarded for the purposes of the trade”<sup>7</sup> and that I must also bear in mind that words should be given their natural meaning within the context in which they are used; they cannot be given an unnaturally narrow meaning<sup>8</sup>. I also note the judgment of Mr Justice Floyd (as he then was) in *YouView TV Limited v Total Limited* where he stated:

“..... Trade mark registrations should not be allowed such a liberal interpretation that their limits become fuzzy and imprecise: see the observations of the CJEU in Case C-307/10 *The Chartered Institute of Patent Attorneys (Trademarks) (IPTRANSLATOR)* [2012] ETMR 42 at [47]-[49]. Nevertheless the principle should not be taken too far. Treat was decided the way it was because the ordinary and natural, or core, meaning of "dessert sauce" did not include jam, or because the ordinary and natural description of jam was not "a dessert sauce". Each involved a straining of the relevant language, which is incorrect. Where words or phrases in their ordinary and natural meaning are apt to cover the category of goods in question, there is equally no justification for straining the language unnaturally so as to produce a narrow meaning which does not cover the goods in question.”

52. The applicants' goods are various textile articles. This is to be compared with men's underwear. Mr Kapur helpfully broke the goods down into a number of categories. He accepted that as he went down his identified categories, the goods were progressively less similar (but that they were all similar to some degree). I will start with the category he identified as most similar, namely:

---

<sup>7</sup> See *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281

<sup>8</sup> See *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another* [2000] FSR 267

**Bed clothes; towels; pyjama cases and nightdress cases, all made wholly of principally of artificial silk, handkerchiefs.**

53. Mr Kapur referred to his evidence of undertakings who sell clothing and items such as bed linen. He submitted that this shows that there is a complementary relationship between them. I do not accept this. The first test of complementarity requires there be some form of connection between the goods such that they are important or indispensable for the use of each other. Whilst I bear in mind the caution that Mr Alexander QC expressed in the *LOVE* case, some connection is still needed, albeit the goods do not necessarily need to be used together. In this case it is difficult to see what connection really exists. Mr Kapur stated that pyjamas may be short in nature and could, consequently, be men's underwear, and that, therefore, men's underwear has a complementary relationship with pyjama cases. Whilst I accept that there may be a complementary relationship between pyjamas and pyjama cases, this does not extend, in my view, to there being a complementary relationship between pyjama cases and men's underwear when the normal understandable meanings of those terms are borne in mind. Mr Kapur also gave an example of handkerchiefs being sold in gift packs along with socks and that, no doubt, the same could apply to men's underwear. First, I have reservations that the example given really creates a complementary relationship even for socks, but in the absence of evidence showing that it is common even for socks and handkerchiefs to be sold together, let alone underwear and handkerchiefs, the submission does not assist. In relation to bed clothes (which of course are not clothes for wearing to bed because such items fall in class 25) and towels compared to men's underwear, it is difficult to see what the complementary relationship is. Mr Kapur went back to the commonality of trader point. As I have already stated, this per se does not give rise to a complementary relationship.

54. Whether there is a complementary relationship is, of course, just one factor in deciding whether goods are similar. In relation to the other factors, the goods are not competitive and the purpose is quite different as is, for obvious reasons, the method of use. Mr Kapur did say that both sets of goods were for protective purposes and both are aimed at having a pleasing aesthetic appearance. However, such a submission considers the goods on far too general a level. I accept Mr Kapur's submission that

the goods may be made of the same material and may be sold to the same people, but this alone is unlikely to be sufficient to find that the goods are similar because the points are extremely superficial. Mr Kapur submitted that the trade channels would overlap and the goods would be sold in close proximity to each other in a department store. I cannot accept this submission. There is nothing to show how close in proximity the goods are generally sold to each other. They are not items which are self-evidently sold in close proximity. Mr Kapur also submitted that both sets of goods are self-serve items and that both may be sold in packaging which can be seen through – whilst his may be true, this is superficial to the extreme and would apply to a vast many very different products. I come to the view that the goods are not similar.

55. What I have said above applies to all the other goods in the various categories identified by Mr Kapur. Category 2 contains various textile articles such as bedding, cushion covers and table cloths. Everything already stated applies in equal measure. Category 3 covers wall hanging/coverings, blinds and loose covers for furniture. These are clearly not similar.

**56. I hold that the goods are not similar, the consequence of which is that the ground of opposition under section 5(2)(b) must fail<sup>9</sup>.**

### **Section 5(3)**

57. Section 5(3) of the Act reads:

“5-(3) A trade mark which-

(a) is identical with or similar to an earlier trade mark,

---

<sup>9</sup> There must be some similarity between the goods otherwise there can be no likelihood of confusion, as per the judgment of the CJEU in *Waterford Wedgwood plc v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case C-398/07*.

shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of Community trade mark, in the European Community) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.”

## **Reputation**

58. The earlier mark must have a reputation. In *General Motors Corp v Yplon SA (Chevy)* [1999] ETMR 122 and [2000] RPC 572 the CJEU stated:

“The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.”

59. Even if the mark had met the genuine use conditions, the opponent would only be able to rely on the mark with regard to men’s underwear. Thus, any reputation would only be relevant in relation to such goods. It is clear that the opponent’s mark has no reputation as a result of the sales made in 2014. Mr Kapur attempted to rely on what he described as the more general historical use, however, there is nothing to suggest that the opponent has any form of reputation in relation to men’s underwear as a result of any historical use. Mr Kapur did not really submit to the contrary. A submission was made that it would be easier to achieve a reputation on the basis of a re-launched use. Whilst I see the logic in the argument, the evidence does not support that this has occurred.

**60. Without meeting the reputation requirement, the claim under section 5(3) fails at the first hurdle. The ground of opposition is dismissed.**

## **Section 5(4)(a) – passing off**

61. Section 5(4)(a) of the Act reads:

“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.”

62. Halsbury’s Laws of England (4th Edition) Vol. 48 (1995 reissue) at paragraph 165 provides the following analysis of the law of passing-off. The analysis is based on guidance given in 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. It 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."

63. 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.”

### **The relevant date**

64. Whether there has been passing-off must be judged at a particular point (or points) in time. In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11, Mr Daniel Alexander QC, sitting as the Appointed Person, stated:

“39. In *Last Minute*, the General Court....said:

‘50. First, there was goodwill or reputation attached to the services offered by LMN in the mind of the relevant public by association with their get-up. In an action for passing off, that reputation must be established at the date on which the defendant began to offer his goods or services (*Cadbury Schweppes v Pub Squash* (1981) R.P.C. 429).

51. However, according to Article 8(4) of Regulation No 40/94 the relevant date is not that date, but the date on which the application for a



Community trade mark was filed, since it requires that an applicant seeking a declaration of invalidity has acquired rights over its non-registered national mark before the date of filing, in this case 11 March 2000.'

40. Paragraph 51 of that judgment and the context in which the decision was made on the facts could therefore be interpreted as saying that events prior to the filing date were irrelevant to whether, at that date, the use of the mark applied for was liable to be prevented for the purpose of Article 8(4) of the CTM Regulation. Indeed, in a recent case before the Registrar, *J Sainsbury plc v. Active: 4Life Ltd* O-393-10 [2011] ETMR 36 it was argued that *Last Minute* had effected a fundamental change in the approach required before the Registrar to the date for assessment in a s.5(4)(a) case. In my view, that would be to read too much into paragraph [51] of *Last Minute* and neither party has advanced that radical argument in this case. If the General Court had meant to say that the relevant authority should take no account of well-established principles of English law in deciding whether use of a mark could be prevented at the application date, it would have said so in clear terms. It is unlikely that this is what the General Court can have meant in the light of its observation a few paragraphs earlier at [49] that account had to be taken of national case law and judicial authorities. In my judgment, the better interpretation of *Last Minute*, is that the General Court was doing no more than emphasising that, in an Article 8(4) case, the *prima facie* date for determination of the opponent's goodwill was the date of the application. Thus interpreted, the approach of the General Court is no different from that of Floyd J in *Minimax*. However, given the consensus between the parties in this case, which I believe to be correct, that a date prior to the application date is relevant, it is not necessary to express a concluded view on that issue here.

41. There are at least three ways in which such use may have an impact. The underlying principles were summarised by Geoffrey Hobbs QC sitting as the Appointed Person in *Croom's TM* [2005] RPC 2 at [46] (omitting case references):

- (a) The right to protection conferred upon senior users at common law;
- (b) The common law rule that the legitimacy of the junior user's mark in issue must normally be determined as of the date of its inception;
- (c) The potential for co-existence to be permitted in accordance with equitable principles.

42. As to (b), it is well-established in English law in cases going back 30 years that the date for assessing whether a claimant has sufficient goodwill to maintain an action for passing off is the time of the first actual or threatened act of passing off: *J.C. Penney Inc. v. Penneys Ltd.* [1975] FSR 367; *Cadbury-Schweppes Pty Ltd v. The Pub Squash Co. Ltd* [1981] RPC 429 (PC); *Barnsley Brewery Company Ltd. v. RBNB* [1997] FSR 462; *Inter Lotto (UK) Ltd. v. Camelot Group plc* [2003] EWCA Civ 1132 [2004] 1 WLR 955: "date of commencement of the conduct complained of". If there was no right to prevent passing off at that date, ordinarily there will be no right to do so at the later date of application.

43. In *SWORDERS TM O-212-06* Mr Alan James acting for the Registrar well summarised the position in s.5(4)(a) proceedings as follows:

'Strictly, the relevant date for assessing whether s.5(4)(a) applies is always the date of the application for registration or, if there is a priority date, that date: see Article 4 of Directive 89/104. However, where the applicant has used the mark before the date of the application it is necessary to consider what the position would have been at the date of the start of the behaviour complained about, and then to assess whether the position would have been any different at the later date when the application was made.' "

65. The filing date of the subject trade mark is 26 November 2014. There is no pre-filing use made by the applicants, consequently, that is the only date that need be considered.

## **Goodwill**

66. In *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL), the Court stated:

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first start.”

67. In *Hart v Relentless Records* [2003] FSR 36, Jacob J. (as he then was) stated that:

“62. In my view the law of passing off does not protect a goodwill of trivial extent. Before trade mark registration was introduced in 1875 there was a right of property created merely by putting a mark into use for a short while. It was an unregistered trade mark right. But the action for its infringement is now barred by s.2(2) of the Trade Marks Act 1994. The provision goes back to the very first registration Act of 1875, s.1. Prior to then you had a property right on which you could sue, once you had put the mark into use. Even then a little time was needed, see per Upjohn L.J. in BALI Trade Mark [1969] R.P.C. 472. The whole point of that case turned on the difference between what was needed to establish a common law trade mark and passing off claim. If a trivial goodwill is enough for the latter, then the difference between the two is vanishingly small. That cannot be the case. It is also noteworthy that before the relevant date of registration of the BALI mark (1938) the BALI mark had been used ‘but had not acquired any significant reputation’ (the trial judge's finding). Again that shows one is looking for more than a minimal reputation.”

68. However, a small business which has more than a trivial goodwill can protect signs which are distinctive of that business under the law of passing-off even though its reputation may be small. In *Stacey v 2020 Communications* [1991] FSR 49, Millett J. stated that:

“There is also evidence that Mr. Stacey has an established reputation, although it may be on a small scale, in the name, and that that reputation preceded that of the defendant. There is, therefore, a serious question to be tried, and I have to dispose of this motion on the basis of the balance of convenience.”

See also: *Stannard v Reay* [1967] FSR 140 (HC); *Teleworks v Telework Group* [2002] RPC 27 (HC); *Lumos Skincare Limited v Sweet Squared Limited and others* [2013] EWCA Civ 590 (COA)

69. In terms of what is required to establish goodwill, I note that in *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19 (HC), Pumfrey J. stated:

“27. There is one major problem in assessing a passing of claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent's reputation extends to the goods comprised in the applicant's specification of goods. The requirements of the objection itself are considerably more stringent than the enquiry under s.11 of the 1938 Act (see *Smith Hayden & Co. Ltd's Application (OVAX)* (1946) 63 R.P.C. 97 as qualified by *BALI Trade Mark [1969] R.P.C. 472*). Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.

28. Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed to the relevant date. Once raised, the applicant must rebut the prima facie case. Obviously, he does not need to show that passing off will not

occur, but he must produce sufficient cogent evidence to satisfy the hearing officer that it is not shown on the balance of probabilities that passing off will occur.”

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

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

71. The opponent's rely (at least partly) on a claimed residual goodwill. The judgment of Pennycuik VC in *Ad-Lib Club Limited v Granville* [1971] FSR1 provides guidance in relation to this:

“In support of that statement there is cited the case of *Norman Kark Publications Ltd. v. Odhams Press Ltd.*, [1962] 1 All E.R. 636; [1962] R.P.C. 163 in which the first paragraph of the headnote reads:

"In an action to restrain the use of a magazine or newspaper title on the ground of passing off the plaintiff must establish that, at the date of the user by the defendant of which the plaintiff complains, he has a proprietary right in the goodwill of the name, viz., that the name remains distinctive of some product of his, so that the use of the name by the defendant is calculated to deceive; but a mere intention on the part of the plaintiff not to abandon a name is not enough".

Wilberforce, J. went at length into the principles underlying proprietary right in goodwill and annexation of a name to goodwill and the laws of the right to

protection of a name and on the facts of that particular case he held that the plaintiff company had lost its right in respect of the name TODAY as part of the title of a magazine. It seems to me clear on principle and on authority that where a trader ceases to carry on his business he may nonetheless retain for at any rate some period of time the goodwill attached to that business. Indeed it is obvious. He may wish to reopen the business or he may wish to sell it. It further seems to me clear in principle and on authority that so long as he does retain the goodwill in connection with his business he must also be able to enforce his rights in respect of any name which is attached to that goodwill. It must be a question of fact and degree at what point in time a trader who has either temporarily or permanently closed down his business should be treated as no longer having any goodwill in that business or in any name attached to it which he is entitled to have protected by law. In the present case, it is quite true that the plaintiff company has no longer carried on the business of a club, so far as I know, for five years. On the other hand, it is said that the plaintiff company on the evidence continues to be regarded as still possessing goodwill to which this name AD-LIB CLUB is attached. It does, indeed, appear firstly that the defendant must have chosen the name AD-LIB CLUB by reason of the reputation which the plaintiff company's AD-LIB acquired. He has not filed any evidence giving any other reason for the selection of that name and the inference is overwhelming that he has only selected that name because it has a reputation. In the second place, it appears from the newspaper cuttings which have been exhibited that members of the public are likely to regard the new club as a continuation of the plaintiff company's club. The two things are linked up. That is no doubt the reason why the defendant has selected this name."

72. In *WS Foster & Son Limited v Brooks Brothers UK Limited* [2013] EWPC 18, Mr Recorder Iain Purvis QC also dealt with the issue of residual goodwill:

"74 In my view, any such goodwill was plainly lost over time, regardless of the question of abandonment. The Defendant's case as to the maintenance of their goodwill is based on two matters. First they rely on what might be called the 'folk memory' or 'residual goodwill' enjoyed by the Peal & Co. brand in the minds of their customer base. This seems to me to be a hopeless argument. The

customers of Peals in the 1960s would not have known that the goodwill had been acquired by *Brooks Brothers*. All they would have known was that Peals had ceased to exist. They would probably never have expected to be able to acquire Peals merchandise again, and any hope of doing so would have expired very quickly as they passed their trade to other suppliers, with no sign of Peals being revived. A very few long-lived customers might, as of 2005, still have had some recollection of the old company, perhaps even with a dusty pair of shoes still in the cupboard. But this can hardly be described as an aspect of 'goodwill'. Goodwill is not merely the memory of a business. It is the 'attractive force which brings in custom'. The acid test for its existence in the present case must be whether, seeing a new pair of shoes bearing the 'Peal & Co.' name and the fox and boot brand, such customers would place any reliance on the quality of the old product from the early 1960s when considering whether to buy it. Plainly they would not. The brand would have to justify itself afresh. Residual goodwill cannot seriously expect to survive 48 years with no use.

75 Second, the Defendant claims that it maintained the goodwill associated with the Peal & Co. and fox and boot brand by selling footwear and other merchandise into the United Kingdom market under that brand throughout the period 1965 to 2005. The alleged medium of these sales was the *Brooks Brothers* mail order catalogue which was distributed on a limited basis in the United Kingdom.

.....

85 In the light of all the evidence, I conclude that sales of fox and boot device branded products by *Brooks Brothers* through their mail order catalogues or otherwise prior to 2006 were practically non-existent. On any view, there was insufficient trade to preserve the goodwill which had belonged to Peals and was acquired by the Agreement in 1964"

73. I come to the view that the opponent's recent sales will not have generated a more than trivial goodwill. As I have already stated, the number of TKMaxx stores which may have stocked the product is not known. Further, the goods were not even shipped to TKMaxx until the beginning of September 2014 and, so, it is not possible to know

how many products had been shipped to the stores before the relevant date of 26 November 2014, let alone how many were actually sold. The numbers could be very low indeed and, as already observed, the opponent should not be able to benefit from the imprecision in its evidence. There is no evidence of any marketing or promotional activities. **The evidence falls short of establishing that the opponent had a current goodwill of a more than trivial level at the relevant date.**

74. The opponent also relies upon a residual goodwill. Whether residual goodwill exists is a matter of fact and degree. This is another area where the evidence of the opponent falls short. Whilst the opponent's witnesses talk in glowing terms of its history and notoriety, there is very little in the evidence to support the existence of residual goodwill. The presence in Grace's Guide tells me little in terms of the impact that the COURTAULDS' name has on the public today. There is no evidence showing when the last sale of COURTAULDS' goods were made and the scale of previous use. Whilst references are made to silks, textiles and ladies stockings, it is not clear in what periods these goods were sold. It is not even clear whether COURTAULDS was a brand itself or just a business name. Whilst a business name may represent a sign that is associated with a business' goodwill, it is the brands that are normally most remembered. Therefore, in terms of an assessment based on fact and degree, this is another part of the factual jigsaw that is missing. Residual goodwill is more than the memory of a business. Even if some members of the public had a recollection of the old business (although from the evidence this is doubtful) it is not clear that any reliance on the quality of the old product from the unspecified time of last use would be placed on any new products sold under the sign. In such circumstances, the opponent would need to re-establish the brand and justify itself afresh. As already observed, that has not been done by way of the recent sales. Mr Kapur accepted that the opponent would have to justify itself afresh, albeit, that with careful marketing (relying on its heritage for example) this could be achieved more easily. I accept this point, but my finding is that this had not been achieved by the relevant date.

**75. The opponent has failed to establish a goodwill (be it current, residual, or a combination thereof) at the relevant date. The ground of opposition under section 5(4)(a) is, consequently, dismissed.**



**Section 5(4)(b)**

76. Section 5(4)(b) of the Act reads:

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

(a) .....

(b) by virtue of an earlier right other than those referred to in subsections (1) to (3) or paragraph (a) above, in particular by virtue of the law of copyright, design right or registered designs.”

77. At its heart, any claim in respect of breach of copyright requires an act of copying to have taken place. It is clear that the applicants have copied something. It can be no co-incidence that the crest they have used in the applied for mark appears to be so close to the historical crest used by the opponent and to the new crest re-designed by Mr Henson. Mr Redler stated in his evidence that the opponent does not know if the historic crest is protected under the law of copyright. Consequently, I must be satisfied that the applicants copied Mr Henson’s new design.

78. Mr Kapur highlighted that Mr Henson’s version of the crest was created before the applicants filed their mark and, further, that goods had also been placed on sale by then. He also submitted that Mr Shafi had clearly undertaken Internet (and other) searches and may have encountered Mr Henson’s version on the products sold in TK Maxx. He also reminded me that copying can be inferred and, further, that no explanation had been provided by the applicants as to how they created the crest in their mark.

79. Notwithstanding the fact that the applicants conducted research, it does not follow that they encountered Mr Henson’s version of the logo. Any sales, as observed already, were sparse. There is nothing to show that Mr Henson’s version of the crest would have been found on the Internet. This is in contrast to the historical use which, from Internet searching, would have revealed Grace’s Guide and the historical crest

depicted therein. There is also a difference in the crests themselves. The crest shown in the applied for mark has some additional detailing (such as brickwork lines on the turret) which do not appear in Mr Henson's version of the logo, which appears to have been made slightly more simplistic. This supports the proposition that it was the historic crest, not the new version, which has been copied. I accept that copying can be inferred, but the only inference I can draw is that the applicants copied the historic logo not the logo of Mr Henson. **The ground under section 5(4)(b) fails.**

80. It should also be noted that there is a further problem with the opponent's claim. This is because the ground can only be relied upon by the claimed owner of the copyright work. Mr Henson worked for CUK at the relevant time not the opponent. Whilst being in the employ of CUK means that the copyright would have been owned by CUK not Mr Henson personally, this does not give the opponent, Magellan, the right to oppose in these proceedings despite the companies being related. At the hearing Mr Kapur stated that CUK had assigned the copyright to Magellan. No evidence in relation to this has been filed. If I had not already determined that the ground fails, I would have directed the filing of evidence of the assignment. However, there is no point in doing so now.

### **Section 3(6)**

81. 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.”

82. 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] EHW 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).”

83. 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 application date of the applications to register the trade marks. The relevant date is 26 November 2014.

84. It is clearly the case that the applicants (or at the very least Mr Mahmood Shafi) knew of some of the history of the COURTAULDS brand. It has been explained that Mr Shafi saw an article about the prospective demolition of one of the COURTAULDS' factories. Given that the applied for mark also includes the historical crest and given that other COURTAULDS' names were applied for around the same time, all suggests that some research as to the history of the business will have taken place. Mr Kapur submitted that the application was motivated to take advantage of the opponent's reputation and goodwill. However, given what I have already said in relation to the evidence, I cannot hold that this is the case. The evidence does not establish that there is much, if anything, to really benefit from in that sense.

85. Mr Kapur also submitted that it was bad faith for the applicants to be filing marks which claim some form of legacy or heritage which the applicants do not possess. He submitted that the pattern shown by the applicants in their filings demonstrates this e.g. the filing of others COURTAULDS' names (including one indicating "EST 1794") and, also, the name of another historic business, Horrockses. The applicants have not explained what their motivation was. The closest they get is in their counterstatement when it was stated:

"..this was closest to the goods that are to be sold and it would be the least objectionable. ....there was no recorded registration of this logo"

86. It is not altogether clear what is meant by the above statement. Nevertheless, what has been stated suggests that, in the absence of the opponent's mark having been used, they considered it fair game to seek registration of the mark for the specified goods.

87. I accept that there may be circumstances in which an opponent may not have appropriate relative rights to rely on, but may nevertheless succeed in establishing bad faith (even without indications of pre-emption or other disruptive behaviour). One such example can be seen in the decision of Mr Geoffrey Hobbs Q.C. as The Appointed Person, in *Fianna Fail/Fine Gael* BL O/043/08 where he stated:

"58. None of this was an accident. 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.”

88. Nevertheless, I am not satisfied that experienced men in the relevant field would regard the applicants’ conduct as falling short of the standards of acceptable commercial behaviour. There is no property in heritage per se. Without any form of residual goodwill or other relative right, I do not consider that the filing of an unused historical mark would be considered an act of bad faith. **The ground of opposition under section 3(6) is dismissed.**

### **Conclusion**

89. All grounds of opposition have failed. Therefore, the application may, subject to appeal, and subject to any other opposition, proceed to registration.

### **Costs**

90. The applicants have succeeded and are entitled to a contribution towards their costs. In making my assessment, I bear in mind that the applicants have not been professionally represented so would not have incurred any legal fees. My assessment is set out below:

*Preparing a statement and considering the other side’s statement - £100*

*Considering and filing evidence - £250*

*Total - £350*

91. I therefore order Magellan Textiles Holdings Limited to pay Mahmood Shafi, Bushra Shafi and Yasser Shafi, the sum of £350. 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 22nd day of April 2016**

**Oliver Morris**

**For the Registrar,**

**The Comptroller-General**