

**O-396-16**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION No. 3103432**

**BY STEPHEN CLIVE UNDERWOOD**

**TO REGISTER THE TRADE MARK**

**CONTINUUM FINANCIAL**

**IN CLASS 41**

**AND**

**IN THE MATTER OF OPPOSITION**

**THERE TO UNDER No. 404874 BY**

**CONTINUUM (FINANCIAL SERVICES) LLP**

## **BACKGROUND**

1) On 10 April 2015, Stephen Clive Underwood (hereinafter the applicant) applied to register the trade mark “continuum financial” in respect of the following services in Class 41: Writing services blog.

2) The application was examined and accepted, and subsequently published for opposition purposes on 15 May 2015 in Trade Marks Journal No.2015/020.

3) On 14 August 2015 Continuum (Financial Services) LLP (hereinafter the opponent) filed a notice of opposition. The opponent states that it has used the mark CONTINUUM in respect of financial and planning services since May 2014. As a result of its activities it has acquired goodwill and reputation under the mark in respect of financial and planning services. Use of the mark in suit would cause misrepresentation, and cause damage to the business and reputation of the opponent. Therefore, the application offends against section 5(4)(a) of the Act. The opponent also states that it is a partnership, and has only had two partners (Martin & Lynne Brown). The applicant worked for the opponent between February 2014 and January 2015. As part of his employment Mr Underwood was to develop the on-line aspect of the opponent’s business. Although the domain name was registered in the applicant’s own name it was paid for by the opponent and it was clear that the registration was made on behalf of the opponent. The applicant left the opponent’s employ. The split was acrimonious and the applicant has registered a number of domain names highly similar to that of the opponent and has posted derogatory comments about the opponent. The applicant also sought to disrupt the opponent’s business by other means such as making false statements to the Financial Conduct Authority (FCA). The application, therefore offends against section 3(6) of the Act.

4) On 16 October 2015 the applicant filed a counterstatement, basically denying the claims made by the opponent. He states that the opponent’s mark could not legally have been used prior to June 2014 as the FCA did not authorise the opponent until this date. He states that it had few advisers who were all based in the south west of England, and until January 2015 had no on-line presence. He states that most of the opponent’s clients migrated from a company where Mr Brown was a director. He states that there is no goodwill or reputation as the clients do not have any loyalty to the firm, but merely move to get the best deal. The applicant makes a number of claims that the opponent is in breach of FCA rules but these are not issues for this Tribunal. He also denies being an employee of the opponent claiming that he worked with Mr Brown on the basis that he would be a shareholder in

the company and states that he received no re-numeration for the first 12 months. He states that he was Operations Director of Continuum (Financial Services) LLP. He also accepts that after the first 12 months he did receive a small income which was less than his living expenses. He contends that a number of companies in the financial sector use the word "Continuum".

5) Both sides filed evidence. Both sides seek an award of costs in their favour. The matter came to be heard on 8 August 2016 when Mr Moss of Counsel instructed by Messrs Ashfords LLP represented the opponent; the applicant represented himself.

## **OPPONENT'S EVIDENCE**

6) The opponent filed a witness statement, dated 19 January 2016, by Martin Anthony Brown a partner of Continuum (Financial Services) LLP a position he has held since May 2014 when the partnership was incorporated. He states that there only two partners in the business, the other being his wife Lynne. At exhibit MAB1 he provides a copy of the certificate of incorporation and latest Annual Return filed with Companies House. He states that since its launch in June 2014 the company has supplied financial advisory and planning services under the brand name CONTINUUM. He states that the opponent consists of a range of Independent Financial Advisers, Chartered Financial Planners, Business consultants and Independent Mortgage and Protection specialists who are located throughout the UK. They supply services to individuals and businesses throughout the UK. The opponent is an appointed representative of CAERUS Financial Ltd which is authorised and regulated by the FCA. At exhibit MAB2 he provides details of the advisers which shows a number of them throughout the UK although the document is dated January 2016. It also shows the connection between the opponent and Caerus and the opponent's FCA authorisation dated of 18 March 2014.

7) Mr Brown states that the domain name [www.mycontinuum.co.uk](http://www.mycontinuum.co.uk) was registered in February 2014 and at exhibit MAB3 he provides a Google Analytics report which shows that between 1 May 2014 and 10 April 2015 there were 3,411 visitors to the site, of which 81% were based in the UK. Mr Brown states that turnover figures for the period 1 June 2014 – 10 April 2015 was £498,261 with the average UK fee being £278. At exhibit MAB4 he provides copies of various stories run by media outlets, including an FT Adviser story dated 24 September 2014 which states that the opponent was awarded a contract by Next Jump to provide financial services to the employees of 350 of the UK's leading businesses. Another website article comments that this market has a potential of over 2 million consumers. The website of Next Jump shows a link to Continuum (albeit a stylised version). He states

that during the period 1 January 2014 and 10 April 2015 £119,170 was spent on promoting the company under the Continuum brand. This figure includes the creation of the website as well as a presence upon social media and e-newsletters. He states that the e-newsletters have been issued each week since February 2015, these would appear to have been sent to approximately one thousand individuals. A copy of the newsletter is provided at exhibit MAB7 and it has the registered trade mark 3043565. The mark is shown below:



8) Mr Brown states that the applicant initially worked for Continuum (Marketing) Ltd, previously called Continuum (Financial Services) Ltd with Mr Brown being the only Director, before joining Continuum (Financial Services) LLP. He states that during the period February 2014 to December 2014 he paid the applicant £2,000 per month with this figure increasing to £2,500 in December 2014. This is corroborated by copies of bank statements provided at exhibit MAB 9. The domain name [www.mycontinuum.co.uk](http://www.mycontinuum.co.uk) was registered in February 2014, by the applicant but on behalf of the opponent as he was reimbursed for the cost and from copies of text messages (exhibit MAB 11) it is clear that it was done on behalf of the opponent. The opponent informed the applicant on 22 January 2015 that he was no longer required to work for the opponent in an exchange of emails. The exact employment status is unclear as to whether the applicant was an employee or working as a consultant. The split was obviously acrimonious and letters from legal representatives have been exchanged. There are also allegations that the applicant tried to disrupt the opponent's business in a number of ways, however, these are not in the Tribunal's purview.

## **APPLICANT'S EVIDENCE**

9) The applicant filed a witness statement, dated 13 March 2016, in which he states that he was a partner with Mr Martin Brown in setting up the opponent company. He states that he has worked on the project from April 2013. At exhibit SCU1 he provides an email exchange dated August 2013 regarding website development, although it is not clear for which business it is being developed. He states that he was the Operations Partner; at exhibit SCU2 he provides a copy of headed notepaper confirming this position as part of the opponent company. Also included in this exhibit is a strategic plan which lists various tasks and has numerous initials alongside them including those of the applicant. Clearly, given that only Mr & Mrs Brown are partners in the LLP as registered at Companies

House the various other initials on the paperwork cannot be partners either. He states that he has a “concurrent right” to use the term “continuum” as he was part of the senior management team and a partner in business with Mr Brown. He claims that everyone in the business is meant to be a partner and that they were recruited on this basis. He claims that the opponent did not have a website until January 2015 and that the NEXT JUMP contract did not offer a Continuum service until October 2014. He also claims that he won the contract in October 2013, although later in his statement in paragraph 10 he states that his first meeting with Next Jump was in April 2014. He also contends that the Next Jump website is not open to the general public but this ignores the fact that it caters for the employees of hundreds of companies.

10) Mr Underwood states that the first adviser recruited was a Mr Leigh who joined in June 2014. He states that the FCA believe that Mr Leigh and another adviser are partners in the opponent company, At exhibit SCU4 he provides printouts from the FCA which simply shows both men as partners in Caerus Financial Ltd, with no mention of the opponent company. He repeats his claim that the opponent did not have 17 advisers and claims that the FCA listing shows this claim to be false. He refers to exhibit SCU 7, but this does not contain anything from the FCA. He states that he has tried to discuss the dispute with the opponent to no avail. At exhibit SCU14 he provides a print out, undated, from the FCA which shows eight companies with the word CONTINUUM as part of their name (including the opponent), although the report refers to eleven companies being found. Two of the companies have the word “cancelled” underneath their status, one has the sentence “previously IP registered” and another states “IVOP issued”. Only two show the term “authorised”, both of which trade under names which do not include the word “CONTINUUM”. He accepts that he was paid £2000 per month by Financial Options UK Ltd, but then states that that company’s accounts show it to be dormant. He refers to a number of pages from Linked-in where two individuals describe themselves as partners in/at the opponent company, one describes himself as “Partner with Continuum (Financial) LLP”, whilst others state they are working for the opponent company which they describe as “a partnership of like minded independent financial advisers”. When discussing the e-newsletter he states: “Every client would get a mailer and remember, the business started with several thousands transferred from Positive Solutions”.

## **OPPONENT’S EVIDENCE IN REPLY**

11) The opponent filed a second witness statement, dated 26 May 2016, by Mr Brown who has previously provided evidence in this case. He states that whilst the official launch of the business was

in June 2014 following the FCA authorisation, various steps were taken prior to this date in order to ensure that the company could actually start as soon as the authorisation was granted. These steps were registering a domain name and establishing a website. He states that the newsletter sent out by his company is read by almost 25% of recipients which is higher than the industry norm for such products. He states that the opponent has won six industry awards in the last nine months. He states that the applicant was paid from the account of Financial Options UK Ltd as this was the only business account in existence when the payments were required

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

## **DECISION**

13) I first turn to the ground of opposition under section 5(4)(a) which reads:

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

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

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.”

14) 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."

15) 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.”

16) First I must determine the date at which the opponent’s claim is to be assessed; this is known as the material date. In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11, Mr Daniel Alexander QC as the Appointed Person considered the relevant date for the purposes of s.5(4)(a) of the Act and concluded as follows:

“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.’ ”

17) The filing date of the application (10 April 2014) is, therefore, the material date. However, if the applicant has used his trade mark prior to this then this use must also be taken into account. It could, for example, establish that the applicant is the senior user, or that there had been common law acquiescence, or that the status quo should not be disturbed; any of which could mean that the applicant’s use would not be liable to be prevented by the law of passing-off – the comments in *Croom’s Trade Mark Application* [2005] RPC 2 and *Daimlerchrysler AG v Javid Alavi (T/A Merc)* [2001] RPC 42 refer. There is no evidence that the applicant has used his mark.

18) The opponent has provided turnover and marketing figures for its business in the UK and, to my mind, has clearly shown that it has goodwill in the UK in respect of financial and planning services prior to the relevant date. At the hearing Mr Underwood stated that the turnover was not generated from a “standing start”. He stated that every adviser recruited brings with them a certain amount of income. The money is paid to the opponent from sales previously generated and the opponent has to pay most of the monies received to the adviser concerned. However, even if this is the case, the business would still be viewed in the business world as generating significant commission/fees and the goodwill would accrue to the opponent. I also note that the evidence was not challenged in evidence in reply and no request was made for cross examination. **The opponent therefore clears the first hurdle.**

19) Whilst it is well established that it is not necessary for the parties to a passing-off action to be in the same area of trade or even a related area of trade (*Harrods Ltd v Harrodian School Ltd* [1996]) in the instant case there does appear to be some overlap. The applicant agreed at the hearing that his blog will include financial information as this is his main area of expertise. I accept the contention of the opponent that providers of financial advice, insurance, pensions, mortgages and investments also tend to provide information free to the general public in addition to their own customers. It is a form of advertising in that, by providing general information under a topic, they can then state that should you wish to avail yourself of a pension/mortgage etc. they have the expertise to provide you with the service best suited to your needs. The mark in suit is “continuum financial” whereas the opponent uses the trade mark shown in paragraph 7 above and also the word “Continuum” *solus* in many instances, particularly on the internet. The opponent’s mark as shown in paragraph 7 uses a device of a different colour letter “U” which is “behind” and overlapping the two letter “U”s in the word. In joining the letter “U”s it forms a continuous series or whole, thus emphasising the word. Whilst the opponent’s mark has a strapline underneath of five words “YOUR FINANCIAL FUTURE MADE REAL” in much smaller case, this merely alludes to the services provided. Similarly, the word “FINANCIAL” in the applicant’s mark alludes to at least one of the subject matters of his blog. The whole of the applicant’s mark appears in the opponent’s mark. Because of this, use of the mark in suit, whether actual or on a fair and notional basis would result in confusion with the opponent’s mark. Accordingly, it seems to me that the necessary misrepresentation required by the tort of passing off will occur. The opposition under Section 5(4)(a) of the Act must succeed.

20) The applicant has not provided any evidence that it has used its mark. In a *quia timet* action it is clearly not possible to show that damage has been suffered. In *Draper v Trist and Trisbestos Brake Linings Ltd* 56 RPC 429 Goddard L.J. stated:

“But in passing-off cases, the true basis of the action is that the passing-off by the defendant of his goods as the goods of the plaintiff injures the right of property in the plaintiff, that right of property being his right to the goodwill of his business. The law assumes, or presumes, that if the goodwill of a man’s business has been interfered with by the passing-off of goods, damage results therefrom. He need not wait to show that damage has resulted, he can bring his action as soon as he can prove passing-off; because it is one of the class of cases in which the law presumes that the Plaintiff has suffered damage. It is in fact, I think, in the same category in this respect as an action for libel. We know that for written defamation a plaintiff need prove no actual damage. He proves his defamation. So, with a trader; the law has always been

particularly tender to the reputation and goodwill of traders. If a trader is slandered in the way of his business, an action lies without proof of damage.”

21) Consequently, in the instant case, as the opponent has established a goodwill and shown deception, then damage can be considered as the automatic sequitur in relation to the services in class 41 and the three elements of the classic trinity of passing-off will have been established. The use of the mark in suit in relation to the services in class 41 will erode the distinctiveness of the earlier marks and/or result in a loss of control of the goodwill associated with ONTINUUM. **The opposition under Section 5(4) therefore succeeds in respect of the services in class 41.**

22) I next turn to the ground of opposition under section 3(6) of the Act which reads:

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

23) Section 3(6) has its origins in Article 3(2)(d) of the Directive, which implements Council Directive No. 89/104/EEC of 21 December 1988 which states:

“Any Member State may provide that a trade mark shall not be registered or, if registered, shall be liable to be declared invalid where and to the extent that....

(c) the application for registration of the trade mark was made in bad faith by the applicant.”

24) The law in relation to section 3(6) of the Act (“bad faith”) was summarised by Arnold J. in *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited* [2012] EWHC 1929 (Ch):

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

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

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

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

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

25) It is well established (paragraph 33 sub section 131 above refers) that the relevant date for consideration of a bad faith claim are the application's filing date or at least a date no later than that. In the instant case the relevant date is 10 April 2015.

26) In asserting that the mark was applied for in bad faith, the onus rests with the opponent to make a prima facie case. A claim that a mark was applied for in bad faith implies some action by the applicant which a reasonable person would consider to be unacceptable behaviour or, as put by Lindsay J. in the *Gromax* trade mark case [1999] RPC 10:

“includes some dealings which fall short of the standards of acceptable commercial behaviour”.

27) The issue must be determined on the balance of probabilities. On the basis of these authorities it is clear that a finding of bad faith may be made in circumstances which do not involve actual dishonesty. Furthermore, it is not necessary for me to reach a view on the applicant's state of mind regarding the application for registration if I am satisfied that his actions in applying for the mark in the light of all the surrounding circumstances would have been considered contrary to normally accepted standards of honest conduct.

28) At the hearing, the opponent initially attempted to contend that the applicant had no intention to use the mark in suit, however, it eventually accepted that this ground could not be maintained and withdrew this strand of its case. I also dismissed the various allegations that the applicant had deliberately sought to disrupt the opponent's business. The allegations were not backed by any evidence that could withstand even a cursory scrutiny and I therefore did not detail these issues in my evidence summary. In the instant case, it is clear from the applicant's statement that, between April 2013 and January 2015, he assisted in setting up the opponent company, in particular the on-line aspects. His role seems to have been as a minimum a senior officer / senior consultant and it is clear that he expected to become a full partner in the business. Quite why his role and position in the company was never precisely stated and a contract agreed is something which only the two parties can confirm. When he registered the domain name in his own name in February 2014 the name of the company would have been settled as it received approval from the FCA in June 2014 to commence trading. By the time he and the opponent company parted ways in January 2015 Mr Underwood would have been aware that the business had generated a reasonable turnover, and therefore had goodwill and reputation, no doubt at least in part, as a result of his work. For him to therefore apply for

a trade mark with the same dominant component and to write a blog on financial issues is clearly an act of bad faith. The applicant has maintained that he had a residual right to use the word “CONTINUUM”. This is based on his view that he was / was intended to be a partner in the company and that it was he that came up with the name. However, it is a dictionary word with a well-known meaning, and he was fully aware that the opponent was using the mark in the financial services field. At the hearing Mr Moss accepted that there was no malicious intent when Mr Underwood applied for the mark. In all the circumstances, it is my view that **the application was filed in bad faith and so the ground of opposition under section 3(6) succeeds.**

**CONCLUSION**

29) As the opposition under Sections 5(4)(a) and 3(6) have been successful the application will be refused.

**COSTS**

30) As the opponent has been successful it is entitled to a contribution towards its costs. Mr Moss contended that if his client were successful in its bad faith ground then costs off the scale should be considered. I take into account the issue of the acrimonious nature of the separation and the fact that it would seem odd for Mr Underwood to have put in so much time and effort, largely unpaid, in starting up the company for the measly sums eventually given to him by the opponent. This is not to condone his behaviour but merely to understand his view that he was morally entitled to use the mark in suit. Unfortunately for him my judgement is based upon the legal issues. However, it was accepted at the hearing by Mr Moss that there was no malicious intent on Mr Underwood’s behalf when applying for the mark. I therefore decline to award costs off the scale.

|  |              |
|--|--------------|
| Expenses   | £200         |
| Preparing a statement and considering the other side’s statement | £300         |
| Preparing evidence and considering the other side’s evidence     | £500         |
| Attendance at a hearing  | £800         |
| <b>TOTAL</b>   | <b>£1800</b> |

31) I order Stephen Clive Underwood to pay Continuum (Financial Services) Ltd the sum of £1,800. This sum to 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 16th day of August 2016**

**George W Salthouse  
For the Registrar,  
the Comptroller-General**