

O/370/18

TRADE MARKS ACT 1994

TRADE MARK REGISTRATION No. 3107408

IN THE NAME OF MR JAMES CHARLES LINDSAY

AND

APPLICATION 501720 BY RVT ENTERPRISES UK LTD

FOR THE REGISTRATION TO BE DECLARED INVALID

AND

TRADE MARK APPLICATION No. 3205762

BY MR JAMES CHARLES LINDSAY

AND

OPPOSITION No. 409698

BY RVT ENTERPRISES UK LTD

Background and pleadings

1. Mr James Lindsay is the applicant to register trade mark 3205762, THE ROYAL VAUXHALL TAVERN (“the 762 mark”). He is also the proprietor of registered trade mark 3107408, ROYAL VAUXHALL TAVERN (“the 408 mark”). The 762 and 408 marks are registered, or proposed to be registered, in relation to the following services.

Class 41: Education; providing of training; entertainment; sporting and cultural activities.

Class 43: Services for providing food and drink; temporary accommodation; restaurant, bar and catering services; provision of holiday accommodation; booking and reservation services for restaurants and holiday accommodation; retirement home services; creche services

2. The application to register the 408 mark was filed on 6th May 2015 in the name of Vauxhall Tavern London Ltd (“VTL”), which is a company of which Mr Lindsay is the sole director and shareholder. The mark was registered on 22nd April 2016 and subsequently assigned to Mr Lindsay himself on 21st June 2016.

3. The application to register the 762 mark was filed on 10th January 2017.

4. RVT Enterprises UK Ltd (“Enterprises”) opposes the registration of the 762 mark and has applied to invalidate and cancel the registration of the 408 mark. The grounds of opposition and invalidation are the same; namely, that Enterprises is the owner of an earlier unregistered right in THE ROYAL VAUXHALL TAVERN, and that the applications to register Mr Lindsay’s marks were filed in bad faith. Consequently, registration would be, or in the case of the 408 mark was, contrary to s.5(4)(a) and s.3(6) of the Trade Marks Act 1994 (“the Act”).

5. Enterprises claims to have used the disputed name since 25th October 2005 in relation to a public house in the Vauxhall area of London. It claims to own an earlier right from that date. According to Enterprises the public house “*is arguably the most*

inclusive and most highly valued LGB&T (lesbian, gay, bisexual and transgender) venue in London and possibly in England, with a national and international reputation, built on a tradition of hosting alternative, transgender, drag performances from the early 20th Century.”

6. The freehold to the Royal Vauxhall Tavern has been owned by Enterprises since 25 October 2005. Under a lease dated 24 November 2014 VTL was granted a lease of the Royal Vauxhall Tavern that will expire on 23 November 2019.

7. Enterprises pleading under s.5(4)(a) is that:

“(a) in consequence of the consistent use of the Mark for over 150 years the Royal Vauxhall Tavern has acquired a goodwill or reputation in the market for services for the provision of food and drink; temporary accommodation; restaurant, bar and catering services and is known throughout the world by reference to the Mark;

(b) as the owner of the freehold in the Royal Vauxhall Tavern [Enterprises] ultimately controls the manner in which the Mark is and has been used in respect of the Royal Vauxhall Tavern and is the rightful owner of that goodwill;

(c) any use by [Mr Lindsay or VTL] of the Mark in respect of the [applied-for or registered] Services would be an intentional misrepresentation by [Mr Lindsay or VTL] leading or likely to lead the public to believe that [Mr Lindsay’s or VTL’s] Services are services related to the Royal Vauxhall Tavern and, ultimately, the services of [Enterprises];

(d) [Enterprises] is likely to suffer damage as a result of the erroneous belief engendered by [Mr Lindsay’s or VTL’s] misrepresentation because:

i. the unique character of the Royal Vauxhall Tavern will be lost;

ii. the Royal Vauxhall Tavern will be less attractive to potential tenants;
and

iii. the Royal Vauxhall Tavern will be associated with other venues and services over which [Enterprises] has no control; and

(e) in consequence of the matters submitted above the use of the Mark by [Mr Lindsay or VTL] in the United Kingdom is liable to be prevented by virtue of the law of passing off.”

8. Enterprises pleading under s.3(6) of the Act is that:

(a)..... *the relevant date is the date on which the Application was made, which in this case is [6 May 2015 and] 10 January 2017 ("the Relevant Date").*

(b) *on the Relevant Date[s] [Mr Lindsay] knew that the Royal Vauxhall Tavern had been trading under the Mark since at least 1862;*

(c) *on the Relevant Date[s] [Mr Lindsay] was neither the owner of the Royal Vauxhall Tavern nor the tenant and did not have any legal interest in the Royal Vauxhall Tavern;*

(d) *on the Relevant Date [Mr Lindsay] did not have any existing title to the Mark and was attempting to harness the rights in the Mark for his own commercial purposes;*

(e) *if [Mr Lindsay] secures a trade mark registration for the Mark he will be entitled to prevent:*

i. [Enterprises] and [VTL] from continuing to use the Mark in respect of the Royal Vauxhall Tavern; and

ii. any other lawful owner or tenant of the Royal Vauxhall Tavern from ever using the Mark in respect of the Royal Vauxhall Tavern;

(f) *by the Relevant Date the Royal Vauxhall Tavern had been known by the Mark for over 150 years during which time the venue and the Mark had acquired great historic and cultural significance;*

(g) *[Mr Lindsay or VTL] filed the Application[s] in an abusive manner for the purpose of interfering with the rights of third parties, including [Enterprises], who do and have consistently used the Mark since 25 October 2005;*

(h) *[Mr Lindsay's] attempt to prevent the lawful owners and users of the Royal Vauxhall Tavern from using the Mark in respect of their venue falls short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the areas of public house management and/or the preservation of venues of cultural significance; and*

(i) *in consequence of the matters submitted above the Application[s] ha[ve] been made in bad faith."*

9. Mr Lindsay filed counterstatements denying the grounds of opposition and invalidation. According to Mr Lindsay:

“5. The building now known as the Royal Vauxhall Tavern is located at 372 Kennington Lane, London, SE11 5HY in the London borough of Lambeth ("the Premises"). The building at the Premises was built in the 1860s and since its construction, entertainment services including a public house, nightclub and performance space ("the Services") have been offered from the Premises supplied by various businesses over time and under various marks. By the mid-twentieth century the building had acquired a reputation as a well-known gay venue.

6. By 2005 the Premises had fallen into disrepair, the business then operating the Services from the Premises was failing and the continued existence of the Royal Vauxhall Tavern as an entertainment venue for the gay community was under threat.

7. At about this time, two businessmen, James Lindsay (i.e. the current Registered Proprietor) and Paul Oxley sought to save the Premises and continue the provision of the Services from the Premises. To that effect Messrs Lindsay and Oxley incorporated two companies RVT Enterprises UK Limited ("RVT Enterprises") and RVT Management UK Limited ("RVT Management"). Messrs Lindsay and Oxley were the sole officers and shareholders in RVT Enterprises and RVT Management and each owned an equal shareholding in the two companies.

8. The intention was that RVT Enterprises would purchase the freehold in the Premises and that RVT Management would operate the Services from the Premises. On 25 October 2005 RVT Enterprises purchased the freehold to the Premises (at auction) and shortly afterwards RVT Management began to offer the Services from the Premises. Those Services (which included entertainment services, cultural activities, services for providing food and drink, restaurant, bar and catering services) were provided under and by reference to the mark 'ROYAL VAUXHALL TAVERN'.

9. *By 2012 or thereabouts the business relationship between Mr Lindsay and Mr Oxley began to breakdown and they sought to separate their business interests. Mr Lindsay and Mr Oxley agreed to divest themselves of the freehold to the Premises and that Mr Lindsay would incorporate a new company as the corporate vehicle through which he would (without Mr Oxley) continue to operate the Services from the Premises.*

10. *Consequently in 2014 Mr Lindsay and Mr Oxley resigned as directors of RVT Enterprises and sold the entirety of their shares in RVT Enterprises to IC London Ltd ("IC London") pursuant to a Sale and Purchase Agreement dated 9 September 2014. In this way, the sole asset of RVT Enterprises, the freehold in the Premises, was transferred to IC London. IC London is part of the Immovate group of companies ("the Immovate Group"). The intention of the Immovate Group was to knock down the existing building on the site of the Premises and build a hotel complex.*

11. *It was anticipated that it would take many years to obtain the necessary planning permissions to build the hotel complex and the Immovate Group and pending the application for planning permissions the Immovate Group (via RVT Enterprises - now a wholly owned subsidiary of IC London) on 24 November 2014 granted a lease to Vauxhall Tavern London Ltd ("Vauxhall Tavern London") [i.e. the new company incorporated by Mr Lindsay] to operate the Services from the Premises. Consequently, since 24 November 2014, Vauxhall Tavern London has offered the Services (which included entertainment services, cultural activities, services for providing food and drink, restaurant, bar and catering services) from the Premises. Those Services were provided under and by reference to the mark 'ROYAL VAUXHALL TAVERN'.*

12. *RVT Management ceased trading with immediate effect and was dissolved on 15 November 2016."*

10. Mr Lindsay further:

- Denied that Enterprises had ever offered services to the public from the Premises or under the name ROYAL VAUXHALL TAVERN;
- Stated that following applications from pressure group called RVT Future, in September 2015 and January 2017, respectively, English Heritage and Lambeth Council granted the building grade II listed status and *sui generis* classification, confirming the use of the premises as a venue for a pub, nightclub and performance space;
- Denied that the applications were made to interfere with the rights of third parties;
- Denied that he knew when filing the applications that Enterprises wanted to operate services from the Premises, believing that the intention of Enterprises and its new owners was to knock down the Premises and open a hotel complex on the site;
- Relied on representations made by the new owners of the shares in Enterprises that they had no interest in acquiring the intellectual property associated with the Premises;
- Relied on the fact that when making the trade mark applications VTL had been providing services under the name THE ROYAL VAUXHALL TAVERN since November 2014;
- Relied on Mr Lindsay holding the trade marks for the benefit of VTL.

Representation

11. Enterprises is represented by Keystone Law, solicitors. Mr Lindsay is represented by Wake Smith Solicitors. A hearing took place on 7th June 2018 at which Ms Anna Edwards-Stuart appeared as counsel for Mr Lindsay. Mr Akash Sachdeva of Keystone Law appeared on behalf of Enterprises.

The evidence

12. Enterprises' evidence consists of two witness statements dated 27th October 2017 and 27th March 2018 by Oliver Blömeke (with 17 exhibits). Mr Blömeke is the Head of Law at Immovate Holding GmbH, a German company which owns IC London Ltd, which together with BVS London LLC, owns Enterprises. The second of Mr Blömeke's statements was made in reply to a witness statement dated 14th December 2017 by Mr Lindsay (with 8 exhibits).

The agreed or non-disputed facts

13. There is only limited disagreement over the primary facts, or at least about those primary facts which matter for present purposes. These are as follows.

- By the mid-20th century the Royal Vauxhall Tavern had acquired a reputation as a well-known gay venue;
- However, by 2005 the building had fallen into disrepair;
- In 2005, Mr Lindsay and Mr Oxley formed Enterprises and RVT Management UK Ltd ("Management");
- Enterprises purchased the building at an auction and investment was made in repairs;
- Enterprises granted Management a lease to use the property;
- The business of a public house and venue for the LGB & T community was carried on at the premises under the name ROYAL VAUXHALL TAVERN between October 2005 and November 2014;
- In or around 2012 Mr Lindsay and Mr Oxley fell out and a decision was taken to sell the premises;
- In September 2013, Messrs Lindsay and Oxley were introduced to the CEO of Immovate International GmbH, who was interested in purchasing the building to knock it down and build a hotel complex of 500-750 rooms on the site;
- Immovate was not interested at that time in acquiring the Royal Vauxhall Tavern name or business;

- In or around April 2014 a deal was agreed under which (a) Immovate would purchase the shares in Enterprises and thereby acquire its assets, particularly the freehold in The Royal Vauxhall Tavern property, (b) Mr Lindsay would relinquish all rights and interest in Management, (c) Mr Lindsay would continue to operate the business at the Royal Vauxhall Tavern whilst planning permission was obtained for the proposed hotel development, (d) For the purposes of (c), Mr Lindsay would set up a new corporate vehicle that would be granted a short term lease of the premises with a 6 month break clause, and (e) Mr Lindsay would assist Immovate with its application for planning permission;
- VTL was incorporated by Mr Lindsay in May 2014;
- A Sale and Purchase Agreement (“SPA”) was signed on 19th September 2014 by Mr Lindsay, Mr Oxley and IC London Ltd (a company under the control of Immovate) under which it was agreed that the shares in Enterprises would be sold to the latter company;
- Under clause 17.3 of the SPA it was acknowledged and accepted that Management owned and operated the Royal Vauxhall Tavern public house and accordingly it was Management and any successor in title that was *“the sole and exclusive owner of all intellectual property rights and goodwill relating to the Pub”*;
- The SPA specified a completion date of 10th November 2014, which could be extended by 10 working days;
- Prior to completion, Enterprises and Management were required to deliver, inter alia, a deed of surrender of the 2005 lease on the property;
- On 23rd November 2014, Management granted VTL a licence to its intellectual property rights in ROYAL VAUXHALL TAVERN and the goodwill relating thereto in return for a licence fee of £2100 per month;
- On 24th November 2014, Enterprises (as Landlord) and Management (as Tenant) signed a deed of surrender of the 2005 lease;
- Clause 2.1 of the deed of surrender stated that *“..the Tenant surrenders and yields up to the Landlord, with full title guarantee, all its estate, interest and rights in the property..”*;

- Also on 24th November 2014, Enterprises (as Landlord) granted VTL a lease on the property until 23rd November 2019, subject to a break clause which gave the Landlord the right to terminate the lease after giving the Tenant six months' notice;
- Between the date of the SPA and the completion date, a community group called RVT Future commenced a campaign to have the Royal Vauxhall Tavern building registered by Lambeth Council as an Asset of Community Value;
- The purpose of this was to secure the future of the property as an LGBTQ venue;
- The property was listed as an Asset of Community Value by Lambeth Council on 13th October 2014, but this did not prevent the completion of the shares sale transaction on 24th November 2014;
- In January 2015, RVT Future made an application to Historic England to have the property listed as a Grade II building;
- Mr Lindsay signed a statement in May 2015 opposing the grant of Grade II listed status;
- Historic England granted the application for Grade II listed status in September 2015;
- On 8th March 2016, Management was struck off the register of companies and dissolved;
- On 24th April 2016, Mr Oxley applied for the company to be administratively restored to the register;
- In June 2016, in connection with imminent changes to the boundaries of the Vauxhall Conservation Area, Amy Lamé, on behalf of RVT Future, applied to Lambeth Council for the planning use of the Royal Vauxhall Tavern premises to be classified as *sui generis* with a LGBTQ+ designation, meaning that it could only be used as an LGBTQ+ venue;
- Mr Lindsay signed a letter of support for this application dated 30th June 2016;
- On 15th November 2016, Management was struck off the register a second time and dissolved again;
- Immovate successfully opposed the application for the property to be classified as *sui generis* with a LGBTQ+ designation when, in February 2017,

Lambeth Council granted the premises a more general *sui generis* classification, meaning that use of the premises was restricted to a combination of public house, nightclub and performance space.

Other evidence relating to the ownership of goodwill under ROYAL VAUXHALL TAVERN

14. Mr Lindsay's evidence is that it was mainly Mr Oxley who was keen to retain the IP rights when the shares in Enterprises were sold to IC London Ltd. Mr Lindsay says that he was "*relatively sceptical that the business had generated any significant goodwill at all, given that it had been struggling.*" According to Mr Lindsay, the approach Mr Oxley and he had taken to the business between 2005 and November 2014 was out of date and he needed to change the 'spit and sawdust' image of the Royal Vauxhall Tavern. Consequently, he invested £85k in a refurbishment of the premises between November 2014 and January 2015. He also decided to book a broader selection of acts and performers to broaden the appeal of the venue beyond the LGBTQ community. Between November 2014 and 30 June 2017 turnover increased by 44% representing £510k in additional sales. This meant that the business became profitable after 11 years of losses or limited profitability.

15. In May 2015, Mr Lindsay decided that VTL should apply to register the trade mark ROYAL VAUXHALL TAVERN. As a result of making that application he discovered that Management had already registered the mark in April 2014. Despite being a director and 50% shareholder in Management at the time, Mr Lindsay was not aware of this. He says he was furious at Mr Oxley when he found this out, not least because their discussions about going their separate ways had by then resolved that he, rather than Mr Oxley, would continue to operate the business. According to Mr Lindsay, he "*immediately terminated the IP Agreement [with Management] and ceased paying the monthly royalty fee.*"

16. At the hearing, Mr Sachdeva pointed out that there was no documentary evidence that Mr Lindsay had terminated the IP licence agreement with Management, or when, or what the effect of the termination was. In this connection, Mr Sachdeva drew my attention to clause 9.3 of the licence agreement which states

that termination shall not affect any rights that have accrued up the date of termination.

17. Enterprises has not filed any evidence which casts doubt on Mr Lindsay's evidence that he terminated the IP licence "immediately" after finding out in May 2015 that Mr Oxley had registered ROYAL VAUXHALL TAVERN as a trade mark in 2014. No request was made to cross examine Mr Lindsay on his evidence. In these circumstances, I accept Mr Lindsay's evidence that he terminated the IP licence with Management. It is not entirely clear when this occurred, but it seems likely to have been in or around May 2015. The consequence of such termination is specified in the agreement: under clause 9.1(b) "*all rights and licences granted pursuant to this agreement shall cease.*"

The passing off right claims

18. Section 5(4)(a) states:

"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."

19. The relevant parts of s.47 state:

"47. - (1) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 3 or any of the

provisions referred to in that section (absolute grounds for refusal of registration).

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

(2) The registration of a trade mark may be declared invalid on the ground-

(a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or

(b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,

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

“(5) Where the grounds of invalidity exists in respect of only some of the goods or services for which the trade mark is registered, the trade mark shall be declared invalid as regards those goods or services only.

(6) Where the registration of a trade mark is declared invalid to any extent, the registration shall to that extent be deemed never to have been made.

Provided that this shall not affect transactions past and closed.”

20. The essential requirements of the law of passing off are well established and are not in dispute. They were conveniently summarised by Her Honour Judge Melissa Clarke, sitting as a deputy Judge of the High Court, *in Discount Outlet v Feel Good UK*,¹ as follows:

¹ [2017] EWHC 1400 IPEC

“55. The elements necessary to reach a finding of passing off are the ‘classical trinity’ of that tort as described by Lord Oliver in the Jif Lemon case (Reckitt & Colman Product v Borden [1990] 1 WLR 491 HL, [1990] RPC 341, HL), namely goodwill or reputation; misrepresentation leading to deception or a likelihood of deception; and damage resulting from the misrepresentation. The burden is on the Claimants to satisfy me of all three limbs.

56. In relation to deception, the court must assess whether “a substantial number” of the Claimants’ customers or potential customers are deceived, but it is not necessary to show that all or even most of them are deceived (per *Interflora Inc v Marks and Spencer Plc* [2012] EWCA Civ 1501, [2013] FSR 21).”

The relevant dates

21. In *Advanced Perimeter Systems Limited v Multisys Computers Limited*,² Mr Daniel Alexander QC, as the Appointed Person, approved my summary in *SWORDERS TM*³ as to how to calculate the relevant date for the purposes of s.5(4)(a), which was 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.”

22. VTL applied to register the 408 mark on 6th May 2015. According to Mr Lindsay’s evidence, it has been using the mark since November 2014. It is therefore necessary

² BL O-410-11

³ BL O-212-06

to determine whether goodwill existed under ROYAL VAUXHALL TAVERN at these dates and, if so, whether it was owned by Enterprises.

23. Mr Lindsay applied to register the 762 mark on 10th January 2017. Mr Lindsay claims that he holds the trade mark for the benefit of VTL, which had been using the mark THE ROYAL VAUXHALL TAVERN since November 2014. It is therefore also necessary to determine whether goodwill existed under THE ROYAL VAUXHALL TAVERN at this date and, if so, whether it was owned by Enterprises.

The necessity for Enterprises to show that it owned goodwill under the marks at the relevant dates

24. According to Regulation 2 of the Trade Marks (Relative Grounds) Order 2007:⁴

“The registrar shall not refuse to register a trade mark on a ground mentioned in section 5 of the Trade Marks Act 1994 (relative grounds for refusal) unless objection on that ground is raised in opposition proceedings by the proprietor of the earlier trade mark or other earlier right.”

Regulation 5 of the Order introduced a similar restriction on who is entitled to bring an application for invalidation based on earlier trade marks or rights. The effect of these provisions is to require Enterprises to show that it owned a relevant goodwill under the marks at the relevant dates.

25. Mr Lindsay’s evidence is that Management operated the business at the Royal Vauxhall Tavern between 2005 and November 2014. This is consistent with Enterprises granting Management a lease of the building in 2005. Mr Blömeke contests this, despite not having any first-hand knowledge about the matter, and despite Mr Lindsay’s evidence being wholly consistent with the terms of the SPA. As Enterprises is wholly owned by IC London Ltd, it is not open to Enterprises to argue that the terms of SPA should be ignored. Accordingly, in order to show that Enterprises owns a relevant goodwill it must explain how that is so when the clear

⁴ (SI No. 1976 of 2007)

wording of clause 17.3 of the SPA states that Management (and any successor in title) is “*the sole and exclusive owner of all intellectual property rights and goodwill relating to the Pub.*”

26. At the hearing, Mr Sachdeva identified three possible routes through which Enterprises owned a relevant goodwill at one or more of the relevant dates (despite the terms of the SPA). Firstly, he submitted that Enterprises owned the goodwill associated with the premises known as The Royal Vauxhall Tavern, which he suggested was separate to the goodwill in the business covered by the SPA. Secondly, he submitted that Management transferred its goodwill to Enterprises as part and parcel of its surrender of the 2005 lease on the premises in November 2014. Thirdly, Mr Sachdeva submitted that as the owner of a building used as a public house ultimately controls the services provided there, it is the natural owner of any goodwill generated by a business conducted there. Consequently, when Management was dissolved in 2016, the goodwill associated with the building naturally reverted to Enterprises.

27. What is goodwill? In *Inland Revenue Commissioners v Muller & Co's Margarine Ltd*⁵ Lord Mcnaghten described it like this:

“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.”

28. According to Wadlow's ‘*The Law of Passing-Off: Unfair Competition by Misrepresentation 5th Ed.*’ the goodwill attaching to the premises where a business is carried on is irrelevant for the purposes of passing off law. Paragraph 3-18 states that:

“Although the goodwill of a business falls to be considered as a whole, there is one important component which is irrelevant for the purposes of passing-

⁵ [1901] AC 217 (House of Lords)

off. This is the goodwill which attaches to the premises in which the business is carried on, rather than to the proprietor of the business. It has been said that in its original sense goodwill was always appurtenant to land and that the concept of personal goodwill was a later development.

“It is quite plain that the goodwill of a public house passes with the public house. In such a case the goodwill is the mere habit of the customers resorting to the house. It is not what is called a personal goodwill.”⁶

“A division of the elements of goodwill was referred to during the argument and appears in Mr Merlin’s book as the ‘cat, rat and dog’ basis. The cat prefers the old home ... though the person who has kept the house leaves. The cat represents that part of the customers who continue to go to the old shop, though the old shopkeeper has gone; the probability of their custom may be regarded as an additional value given to the premises by the tenant’s trading. The dog represents that part of the customers who follow the person rather than the place; these the tenant may take away with him if he does not go too far. There remains a class of customer who may neither follow the place nor the person, but drift away elsewhere. They are neither a benefit to the landlord nor the tenant, and have been called ‘the rat’ for no particular reason except to keep the epigram in the animal kingdom. I believe my brother Maugham has introduced the rabbit, but I will leave him to explain the position of the rabbit. It is obvious that the division of the customers into ‘cat, rat and dog’ must vary enormously in different cases and different circumstances.”⁷

Passing-off is concerned with “dog” goodwill, because it is the dog in this example that is loyal to the person carrying on the business. In modern conditions, trade, and consequently goodwill, need not be associated with specific premises at all. “Cat” goodwill is irrelevant to passing-off. Customers

⁶ per Jessel MR in *Re Kitchin Ex p. Punnett* (1880) 16 Ch D. 226 CA

⁷ per Scrutton LJ in *Whiteman Smith Motor Co v Chaplin* [1934] 2 K.B. 35, 42 CA.

represented by the cat do business with the claimant only because of the location of his premises. They are therefore unlikely to be wooed to another location by a misrepresentation that the person trading there is connected with the claimant.

Goodwill which is local in the sense of benefiting and belonging to a piece of land (as opposed to the business carried on there) is to be distinguished from goodwill belonging to a business which is local in the sense that the customers of the business are to be found in a limited geographical area.”

29. On this view of the matter, any goodwill generated purely by the location of a building is irrelevant for the purposes of passing off law. This probably makes no difference in this case because there seems unlikely to be much, if any, “cat” goodwill associated with just the location of The Royal Vauxhall Tavern. While I recognise that the building at 372 Kennington Lane has a cultural legacy as the site, over many decades, of a pub offering entertainment and other services of particular appeal to the LGBTQ+ community, customers of the business go there because of the particular services provided at the premises, not just because of its location. They are therefore properly to be regarded as customers of the business, not just of the premises, i.e. “dog” goodwill. In the light of the clear wording of the SPA agreement, it is not open to Enterprises to argue that it owned all, or any, of that goodwill in September 2014. Further, even if the SPA did not exist, I would have accepted Mr Lindsay’s evidence that Management operated the business at The Royal Vauxhall Tavern and therefore the goodwill generated by that business between 2005 and 2014. Enterprises has not identified its title to any goodwill that may still exist from earlier periods of operation of the business at the premises. I therefore reject Mr Sachdeva’s first submission.

30. Clause 2.1 of the deed of surrender dated 24th November 2014 stated that “..*the Tenant [Management] surrenders and yields up to the Landlord [Enterprises], with full title guarantee, all its estate, interest and rights in the property..*”. According to Mr Sachdeva’s second submission, this transferred the goodwill in the business to Enterprises. I reject that submission for these reasons. Firstly, the deed of surrender appears to be a standard document for relinquishing the lease on a property: it does

not purport to be concerned with the business operated at the property, let alone the ownership of the goodwill in such a business. This is consistent with the wording of the clause itself, which refers to the surrender of, inter alia, rights in the property. Secondly, the deed of surrender of the 2005 lease was a requirement of the SPA drawn up two months earlier. The intentions of the parties with regard to the ownership of goodwill was clearly set out in the SPA. It is therefore stretching the language and meaning of the deed of surrender well beyond breaking point to suggest that it somehow transferred ownership of the goodwill in the business from Management to Enterprises. Thirdly, the transfer of Management's goodwill in the business to Enterprises on 24th November 2014 is manifestly inconsistent with Management having licensed its IP rights and goodwill to VTL on 23rd November 2014. It is therefore clear that Management cannot have intended the deed of surrender of the lease on the property to constitute a transfer of its IP rights and goodwill to Enterprises.

31. As to Mr Sachdeva's third possible route through which Enterprises owns a relevant goodwill, i.e. that the goodwill associated with the building naturally reverted to Enterprises when Management was dissolved, I see no basis for such a submission. Goodwill can be transferred by agreement. Sometimes it can be inferred to have been transferred by virtue of the sale of an on-going business, or when a company is formed that continues the business established by its founders. Goodwill can also be abandoned, renounced, and may dissipate over time. However, there is no authority for the proposition that it can simply 'float home' of its own accord. Rather, whatever property Management owned when it was dissolved would have become *bona vacantia* and therefore the property of the Crown.

32. Although the case was not advanced in these terms, I will deal briefly with a fourth point, which may be said to be implicit in Mr Sachdeva's third submission; namely, that Enterprises owned the goodwill generated by the business operated by VTL, at least after VTL terminated the IP licence with Management in or around May 2015. I see no basis for the submission that the owner of the building controls the business carried on there and therefore owns the goodwill in that business (or a share in it). Absent an agreement to the contrary, ownership of goodwill is a matter of fact: who do the public view as responsible for the goods or services provided? In

this case the answer would plainly be the operator of the public house/venue, i.e. VTL. Indeed, the idea that anyone would credit Enterprises with the quality of the services provided in or after May 2015, or complain to Enterprises about poor service at the Royal Vauxhall Tavern, is plainly wrong.

33. I therefore conclude that Enterprises has not shown that it owned a relevant goodwill at any of the relevant dates for passing off purposes. The s.5(4)(a) ground of opposition to the 762 mark, and invalidation of the 408 mark, fails accordingly.

The bad faith claims

34. Section 3(6) of the Act states:

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

35. In *Fianna Fail and Fine Gael v Patrick Melly*,⁸ Mr Geoffrey Hobbs QC, as the Appointed Person, pointed out that:

“Bad faith is an absolute, hence free-standing, ground for refusal of registration...”

It follows that the failure of the s.5(4)(a) grounds does not mean that the grounds under s.3(6) of the Act are also bound to fail. Further, the restrictions on who is entitled to bring a claim under s.5 of the Act do not apply to a claim under s.3(6). This means that, in principle, it is possible to bring a claim under s.3(6) on the basis that a trade mark was applied-for in bad faith in the light of the legitimate rights of a third party.

36. The law in relation to s.3(6) of the Act is well established and not in dispute. It was conveniently summarised by Arnold J. in *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited*⁹as follows:

⁸ [2008] ETMR 41

“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

⁹ [2012] EWHC 1929 (Ch)

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.”

Relevant dates

37. The relevant dates for this purpose are the dates of the applications for registration on 6th May 2015 and 10th January 2017, respectively.

38. Enterprises' bad faith case, as presented at the hearing, has three limbs. Firstly, that as at 6th May 2015 VTL had no legitimate interest in the intellectual property associated with The Royal Vauxhall Tavern and was in fact a licensee of the goodwill and trade mark. Secondly, that as at 10th January 2017, Mr Lindsay was neither the owner nor the tenant of The Royal Vauxhall Tavern and therefore had no proper basis for applying for registration. Thirdly, that VTL and Mr Lindsay knew at the relevant dates that the reputation of The Royal Vauxhall Tavern is vested in the property itself as a particular type of venue. Registration of the mark could force the owner to change the name of the property, which cannot be justified simply on the basis that VTL has a short term lease on the premises.

39. Addressing the first limb of Enterprises' bad faith case, I accept that as at 6th May 2015, VTL had operated The Royal Vauxhall Tavern business for around 6 months under a licence granted by Management in November 2014. Mr Lindsay's evidence is that he did not know that Management had registered the trade mark in 2014. Nevertheless, he clearly knew about that VTL had 'licensed' the goodwill in the business from Management and was paying a monthly 'licence' fee for the right to use the name. Strictly speaking there is no such thing as a licence to goodwill. A licence to goodwill is no more than agreement that the owner of the goodwill will not take any action that he or she may otherwise have taken vis-à-vis the 'licensee's' use of a mark that is distinctive of that goodwill. However, it is very likely that this arrangement amounted to an agreement that the on-going goodwill generated by VTL's business belonged to Management. Mr Lindsay (and therefore VTL) should

have known this. Additionally, Mr Lindsay (and therefore VTL) knew that Management operated the business between 2005 and November 2014. It should therefore have also known that the goodwill created in this period still belonged to Management. And Mr Lindsay himself describes VTL's business as a continuation of the previous business. Mr Lindsay says that he was sceptical that there was much in the way of goodwill by late 2014. However, this is directly contradicted by his decision to pay Management a licence fee of £2100 per month, despite (according to Mr Lindsay) the limited profitability of the business at that time. There is therefore a good arguable case that Mr Lindsay's trade mark application of 6th May 2015 was filed in bad faith vis-à-vis Management.

40. Ms Edwards-Stuart objected that Enterprises bad faith case had been pleaded in a scattergun manner. In particular, Enterprises had not specifically pleaded that its case was based on an allegation of bad faith against Management. Mr Edwards-Stuart submitted that this was not good enough. She reminded me that bad faith is a serious allegation and that it must be distinctly alleged.¹⁰ The closest that Enterprises gets to articulating this allegation in its pleading is:

"[Mr Lindsay or VTL] filed the Application[s] in an abusive manner for the purpose of interfering with the rights of third parties, including [Enterprises], who do and have consistently used the Mark since 25 October 2005."

41. However, taking Enterprises' s.3(6) pleading as a whole, the central proposition is that Enterprises owns the goodwill associated with The Royal Vauxhall Tavern. Mr Lindsay's actions vis-à-vis Management appear to have been raised only as part of Enterprises' attack on the justification he gave for filing the trade mark applications in the face of Enterprises' rights. When I asked him about at the hearing, Mr Sachdeva was constrained to accept that Enterprises had never alleged in terms that Mr Lindsay (or VTL) had acted in bad faith vis-à-vis Management, either as the owner of the goodwill in the business or otherwise. By way of explanation, he told me that Enterprises was not aware of the IP licence between Management and VTL until Mr Lindsay filed his evidence. It follows that this had nothing to do with Enterprises'

¹⁰ This is a reference to the comments of Mr Simon Thorley QC, as Appointed Person, in *Royal Enefield Trade Mark*, [2002] RPC at paragraph 31.

pleading about Mr Lindsay having filed the application with the purpose of “*interfering with the rights of third parties.*” It is true that paragraph 30 of Mr Blömeke’s witness statement in reply mentioned (i) the termination of the IP Agreement, (ii) Mr Lindsay’s failure to cease the use of the mark as required by that agreement, and cited this as an example of Mr Lindsay’s “*proven record of abusing the trade mark rights of his business associates.*” However, in paragraphs 3 to 5 of the same witness statement Mr Blömeke continued to contest Mr Lindsay’s evidence that Management (rather than Enterprises) operated the public house business at The Royal Vauxhall Tavern between 2005-2014. This means that Enterprises continued to deny that Management had any rights to the name. In these circumstances, I find that Enterprises has not “distinctly alleged”, or even just “alleged”, that Mr Lindsay or VTL acted in bad faith vis-à-vis Management. Consequently, it is not open to Enterprises to run that point and it is not necessary for me to decide it.

44. Turning to the second limb of Mr Sachdeva’s argument, I note that as at 10th January 2017 VTL had been operating a business at the premises under the name The Royal Vauxhall Tavern since November 2014. During this time, VTL or Mr Lindsay had invested in the property and diversified the target audience resulting in more customers and an increase in profitability. No other party has been shown to have operated a business under the contested name in this period. Management had taken no steps to enforce any rights it had to the goodwill in the business it operated between 2005 and November 2014, or to enforce the terms of the IP licence, and had in fact been dissolved (twice). In these circumstances, I find that VTL was entitled to take the view that Management had abandoned its goodwill under the mark and that it was therefore entitled to apply for registration of the mark as the current operator of the business conducted under it.¹¹ In this connection, I bear in mind the comments of Mr Daniel Alexander QC, as the Appointed Person in *Roadrunners Gatwick Limited v Road Runners (East Grinstead) Limited*¹² to the effect that where a party has used a trade mark as its trading name prior to filing an application to register that mark, it is appropriate to exercise a good deal of caution before classifying the application as one made in bad faith.

¹¹ When I asked Mr Sachdeva at the hearing against who the filing of the 762 application represented an act of bad faith, he confirmed that the allegation was that it was an act of bad faith against Enterprises.

¹² BL O/094/17 at paragraphs 28-31 of the decision

45. It is common ground that Mr Lindsay is the sole mind behind VTL and that his motives can therefore be attributed to VTL. Indeed, Mr Blömeke states in his first witness statement that *“the Applicant is the Tenant’s controlling mind and everything that the Tenant does is done with the knowledge of the Applicant (and vice versa).”* In that case, I see nothing sinister in Mr Lindsay’s decision to register the mark in his own name rather than that of VTL. Mr Sachdeva suggested at the hearing that Mr Lindsay may have applied to register the trade mark in his own name to avoid the consequences of VTL’s obligations under clause 26 of the 2014 property lease to return the property to the Landlord (Enterprises) in good condition and state of repair. However, this point (a) was not pleaded, and (b) makes no sense because the lease is concerned with the property itself. It has nothing to do with the ownership of any associated intellectual property rights or goodwill.

46. Ms Edwards-Stuart argued at the hearing that Mr Lindsay’s fiduciary duty to VTL inevitably meant that he had registered the mark on trust for VTL. I do not need to decide whether that is right. In my view, given their accepted common purpose and that Mr Lindsay is the sole owner and officer of VTL, it is artificial for Enterprises to suggest that Mr Lindsay’s 762 trade mark application showed bad faith vis-à-vis VTL.¹³ And stripped of this element, the second limb of the bad faith case advanced by Mr Sachdeva adds nothing to the other limbs of his client’s case. This is because, unless the application can realistically be described as an act of bad faith vis-à-vis another identified party, Mr Lindsay has no need to show why he registered the 762 mark in his own name. I therefore reject the second limb of the bad faith case advanced by Mr Sachdeva.

47. This brings me to the third limb of the case, which is that Mr Lindsay knew at the relevant dates that the reputation of The Royal Vauxhall Tavern was vested in the property itself as a particular type of venue, and that his registrations could force the Landlord to change the name of the building in order for the business carried on there to be continued by Enterprises or by a new leaseholder.

¹³ The 408 trade mark application was filed in the name of VTL. The bad faith claim must be assessed at the relevant date. Therefore, the ‘own name’ point does not arise so far as the 408 trade mark application is concerned.

48. Mr Blömeke developed this line of argument in his first statement as follows:

“19. I do not think that the Applicant had any other intention in mind when he filed the Application other than to create for himself a tool to use as leverage in future lease negotiations. I certainly do not think that the Applicant had or has a bona fide intention to use the Royal Vauxhall Tavern name at alternative premises. The Applicant is on the record as having said that no business using the name could ever be viable unless it operated from the Opponent's premises. Attached to this witness statement as Exhibit OB12 is a copy of a report dated 28 July 2015 (shortly after the Registration Relevant Date) that the Applicant himself gave to the Opponent in which he says very clearly that it is his belief "that if [the Royal Vauxhall Tavern] was to trade in another location it would not succeed." If that was his opinion when he filed the application for the Registration then there is no rationale for his decision to file that application other than to create for himself a tool to use as leverage in future lease negotiations.

20. It became evident to me that the Applicant always intended to use Application and Registration as leverage in lease negotiations when we met in March 2017 and he sent me an email on 24 March 2017 (see Exhibit OB13). In that email the Applicant seeks to sell the name of the Royal Vauxhall Tavern to the Opponent for £325,000. It is my belief that the Applicant is using the Application and Registration to extract a ransom from the Opponent and this behaviour falls short of the standards of acceptable commercial behaviour observed by reasonable and experienced businessmen.

21. I note the claim at Paragraph 28 of both of the Applicant's Counterstatements that at the Registration and Application Relevant Dates the Applicant and his company were not aware that the Opponent intended to continue to operate the Royal Vauxhall Tavern. I am very sceptical about that claim because:

(c) the Registration Relevant Date is shortly after the widespread press coverage that followed the filing of the application for Grade II listing for the Royal Vauxhall Tavern (see the newspaper report dated 16 April 2015 at

Exhibit OB10). The Applicant would have known at that point that if the application for Grade II listing was successful, the Opponent would have no option but to continue to allow the Royal Vauxhall Tavern to operate; and (d) by the Application Relevant Date the Applicant certainly knew that the Royal Vauxhall Tavern had been Grade II listed since 5 September 2015 which meant that the Opponent had no option but to continue to allow the Royal Vauxhall Tavern to operate.

22. For the avoidance of doubt, as soon as RVT Future began to generate widespread popular support for the Grade II listing of the Royal Vauxhall Tavern and the press and media picked up on this, which happened around April 2015 (a month before the Registration relevant Date) when the newspaper articles at Exhibit OB10 began to appear, the Opponent's plans for the Royal Vauxhall Tavern changed. We resigned ourselves to the Grade II listing and our plans to convert the site into a modern hotel complex were abandoned. At around April 2015 we realised that we had no option but to retain the Royal Vauxhall Tavern as a pub in its current location and we set about developing a strategy that maximised its commercial value as a restaurant and pub.”

49. Mr Lindsay responded to these statements as follows:

30.on 3 August 2015, I applied to cancel the UK Trade Mark No. 3,053,633 [i.e. the mark registered by Management in April 2014] on the basis that Paul (then one of two directors of the Registered Proprietor) submitted the application for the Trade Mark unbeknownst to me (a co-director at the time), with a view to concealing the existence of the mark from a party interested in acquiring the Business (i.e. me) with a view to later preventing that party from using the Business' name and/or extracting a large fee in order to do so.

31. Ultimately, neither Paul nor RVT Enterprises responded to my application to cancel UK Trade Mark No. 3,053,633 and on 24 November 2015 the trade mark was declared invalid. Paul sought to appeal the decision, but ultimately

he abandoned the appeal, and the mark was ultimately cancelled on 14 April 2016.”

“34. On 8 March 2016, RVT Management was dissolved via a compulsory strike off. A copy of the Final Gazette appears at Exhibit JCL - 4.

35. On 28 April 2016, shortly after RVT Management's trade mark was cancelled, Paul filed an administrative restoration application for RVT Management. On 17 May 2016, Paul caused RVT Management to apply for UK Trade Mark No. 3165043 for the words RVT CASINO. I had already applied for a mark for RVT CASINO which Paul had opposed. On 1 June 2016, Paul filed the termination of my appointment as a director of RVT Management. It seemed clear to me from this sequence of events (particularly given that RVT Management had not traded since November 2014) that Paul's primary objective was to cause trouble and to frustrate the trade mark applications.

36. On 15 November 2016, RVT Management was again subject to compulsory strike-off. I saw this as my opportunity to take steps to prevent any risk of Paul reappearing in the future and causing me any difficulty in respect of the Royal Vauxhall Tavern. While I owned the Registered Mark, I wanted to have a 'fresh' application of another trade mark after RVT Management had been struck-off to ensure my right to operate the Royal Vauxhall Tavern was protected from any interference from Paul or from any other party.

37. With this in mind, on 10 January 2017, I filed the Trade Mark Application for the words "ROYAL VAUXHALL TAVERN.”

“58. As I have mentioned above, VTL's five-year lease is due to expire in November 2019. I am interested in extending the lease on appropriate terms. However, if appropriate terms cannot be agreed I will have no hesitation in transferring the business elsewhere.

59. *In early June 2016, Immovate contacted me and requested that I fly to Vienna to meet with them. They did not say why they wanted to meet. Regardless, I flew to Vienna and met with them on 6 and 7 June 2016. The meeting was brief and I met with Zankel Benedict (Chief Financial Officer) and Marie Schwartz (Legal Counsel). Immovate's message was simple - they said to me they wanted me to fly back to London and close the Royal Vauxhall Tavern. I made it clear to them that I would not be closing the Royal Vauxhall Tavern. This was a business which I had built up over almost 12 years and was just turning profitable. To my mind, this meeting was an attempt by Immovate to try and intimidate me to closing the business.*

60. *I was left in no doubt that at that stage Immovate were planning to sell the Premises and they thought that they would get a better price if my Business was no longer trading from or a tenant of the Premises. Immovate thought that by closing the Business it would help defeat the Sui Generis process."*

"84. My comments recorded in the document at Exhibit OB12 need to be considered in context. At that stage the business was too fragile to confidently predict that it would survive a move. However, these days, given the goodwill that I have built up in the Royal Vauxhall Tavern name, there would be scope to operate the business from suitable alternative premises. It would not be improper for me to do this."

"86. In relation to paragraph 21 of Mr Blomeke's witness statement, I stand by paragraph 28 of my Counterstatement - I was not aware at either of the relevant dates that Immovate intended to continue to own the Premises, less still to operate the Services from the Premises. Further, the Grade II listing does not require the Services to be operated from the Premises. It concerns restrictions on changes to the architectural integrity of the Premises. Immovate had purchased the Premises to redevelop it into a hotel. Given the Grade II listing, I had been under the impression that Immovate's long-term plan was to sell the building. They had engaged a property agent and the Premises was listed for sale in November 2016. It remains on the market. In any event, none of this is relevant to my intention when applying to register

the trade marks - the reasoning for my actions was to prevent Paul from causing me difficulty in the future as I explain above.”

50. In his reply evidence, Mr Blömeke stated:

“15. At paragraph 59 of the Applicant’s Witness Statement the Applicant attributes various statements to officers at Immovate. I have no knowledge of these conversations.”

51. As can be seen the above, the third limb of Enterprises’ bad faith case has morphed a little from an allegation that Mr Lindsay or VTL intended to prevent Enterprises from trading from its premises under the contested name to an allegation that the applications were motivated by a desire to leverage favourable terms for a lease extension. The latter is, of course, closely linked to the former. Further, Mr Lindsay clearly understood the allegation and responded to it in his witness statement. In these circumstances, I think it appropriate to determine the matter, even if parts of the allegation are outside the formally pleaded case.

52. Before I do that it is necessary to say something about one more aspect of the evidence. The parties have given evidence about various exchanges between them in late March 2017. Enterprises has filed copies of emails.¹⁴ These exchanges appear to have been intended to avoid a dispute between them. In principle, the material may therefore be covered by the ‘without prejudice’ rule. However, neither side has objected to the filing of this evidence. I will therefore assume that neither side wishes to invoke the rule and/or it waives its right to object to the use of this material by the other side.

53. The parties put very different slants on the same material. Enterprises claims that it shows that Mr Lindsay was seeking to sell it the name ROYAL VAUXHALL TAVERN for £325k, which it regards as being held to ransom. Mr Lindsay says it shows that VTL’s business had been valued at £325k and that this was raised in the context of a proposal by Enterprises to grant VTL a lease extension, but with a 45%

¹⁴ See exhibits OB13 and OB(2)4

increase in rent, 50% reduction in space in the building, and on condition that he assigned the trade mark rights to Enterprises. In other words, that if Enterprises really wanted to buy his business and IP, he wanted the real market value for it. Although this material postdates the relevant dates in these proceedings, I accept that it is potentially capable of shedding light on Mr Lindsay's motives for applying to register the marks, particularly the 762 mark. However, looking through the material I do not think it does in fact shed much light on that matter. Consequently, I will say no more about it.

54. Returning to the central allegation, that the 408 and 762 marks were intended to unfairly fetter Enterprises' commercial exploitation of the building known as the Royal Vauxhall Tavern, I accept that it is strongly arguable that the tenant of a public house with an established name operates the business on the understanding that the business carried on at the premises will cease when the lease expires or is terminated. I have no doubt that this would be covered in leases between traditional owners of public houses, i.e. breweries, and their tenants. In any event, in that situation the name of the brewery would be associated with the public house. At least in those circumstances, the goodwill under the name of the public house would normally probably belong to the brewery rather than to the tenant. On my findings, the situation in this case is different: the Landlord (Enterprises) has no claim to the goodwill of the business.

55. The registration of a trade mark corresponding to the name of a public house does not necessarily mean that the name of the building cannot be used by anyone other than the trade mark owner. For example, s.11(2)(a) of the Trade Marks Act provides a defence to the use of one's "own address", provided that such use is in accordance with honest practices. Nevertheless, as the name of the building and the name of this kind of business are often difficult to separate, it is strongly arguable that a tenant of a public house has a commercial duty to the landlord to avoid taking actions to obstruct the transfer the lease on the property to anyone else. After all, the tenant of a public house knows from the outset that any goodwill he or she generates during the operation of the business under the name of the public house is liable to be lost on the termination of the lease, at least to the extent that it is tied to the premises from which the business operates.

56. In this connection, I note that shortly after the relevant date for the 408 mark, Mr Lindsay is on record as expressing the view that it was not likely to be feasible to operate the business from different premises. Therefore, if Mr Lindsay's (and therefore VTL's) motive at the relevant dates was to obstruct Enterprises from leasing the premises to anyone else, or to use that power as a lever to obtain artificially favourable terms for a lease extension, or a new lease, then I would hold that Mr Lindsay (or VTL) filed the applications in bad faith vis-à-vis Enterprises. And I would do so notwithstanding the fact that VTL probably owned the goodwill generated in the business after May 2015.

57. Enterprises says that is precisely what has happened. According to Mr Blömeke, Enterprises abandoned its plans to turn the property into a hotel in April 2015 after it became clear that the campaign group RVT Future was attracting significant support for its application for grade II listing. He says that at this point Enterprises plans changed: it resigned itself to the likely listing of the building and that it would continue as a public house. According to Mr Blömeke, this would have been apparent to Mr Lindsay at the relevant dates.

58. Mr Lindsay's evidence is that he was not aware at either of the relevant dates that Immovate (and therefore Enterprises) intended to continue to own the premises, less still to operate services from the premises. He says that he thought that Immovate's long term plan was to sell the building. No request was made to cross examine Mr Lindsay on his evidence. As support for his position Mr Lindsay relies on his meeting with two named officers of Immovate in Vienna in June 2016. According to him, they asked him to close the business to assist their opposition to the building being granted *sui generis* status and to make it easier to sell it. This is consistent with Mr Lindsay's unchallenged evidence that the building was put up for sale in November 2016. Mr Blömeke's reply evidence simply says that he has no knowledge of statements claimed to have been made by other officers of Immovate in June 2016. I note that the meeting itself has not been denied, and nor has any evidence has been offered from the officers who were present at that meeting. I therefore accept Mr Lindsay's account of it.

59. Mr Lindsay's evidence is that the letter he signed in May 2015 opposing RVT Future's application for the building to be granted grade II listed status was prepared for him by Immovate, the ultimate owner of Enterprises. Mr Blömeke did not challenge this aspect of Mr Lindsay's evidence in his statement in reply. I therefore accept Mr Lindsay's evidence on this point. It suggests to me that Mr Lindsay was entitled to believe that as at May 2015 Enterprises was intent on fighting the application for grade II listed status. This is not consistent with Mr Blömeke's evidence that Enterprises had resigned itself to the listing of the building (and the suggested consequences that it had to continue as a public house/entertainment venue) in April 2015, still less that this should have been apparent to Mr Lindsay.

60. I therefore reject the third limb of Enterprises' claim that Mr Lindsay filed the 408 trade mark application on 6th May 2015 with a view to fettering Enterprises' ability to lease the building as a public house to another tenant, or to use it as a lever for use in negotiations for a lease extension in 2019. I accept Mr Lindsay's evidence that he filed the trade mark to protect the business he was by then operating at the premises, primarily from interference by his ex-partner, Mr Oxley.

61. This means that the bad faith claim as regards the 408 mark must be rejected.

62. By the time the 762 application was filed in January 2017, RVT Future had applied for the building to be given *sui generis* status. Mr Lindsay supported this application in June 2016. If granted, he knew it would mean that the building would have to continue to be used as public house/entertainment venue. However, this does not mean that he knew that Enterprises intended to operate the building as such. On the contrary, his understanding was that Enterprises had put the building up for sale in November 2016. This does not support Enterprises' allegation that the application was a tactical lever to obtain a favourable lease extension from Enterprises. By January 2017, VTL had been operating the Royal Vauxhall Tavern business for over 2 years. The IP 'licence' from Management had been terminated 18 months earlier and the business had become more profitable. Mr Lindsay already owned the 408 trade mark. In these circumstances, I accept Mr Lindsay's evidence that his primary intention when filing the 762 mark was to acquire a trade mark that was less vulnerable to attack from his ex-partner Mr Oxley and/or Management.

63. I accept that it is possible that by this time Mr Lindsay may also have been thinking about lease negotiations and the advantage that a validly registered trade mark would give him in negotiations with the future owners of the building. However, applying the balance of probability test, I do not think that the evidence establishes this. In my view, the most that can be said is that the evidence is equally consistent with the 762 mark having been in good faith as in bad faith. That is not good enough for Enterprises' bad faith claim to succeed.

64. I therefore also reject the third limb of Enterprises' bad faith claim with regard to the 762 mark.

Outcome

65. The grounds for opposing the 762 mark and invalidating the 408 mark have failed. The 762 mark will be registered. The 408 mark will remain registered.

Costs

66. Enterprises' grounds for invalidation and opposition having failed, Mr Lindsay is entitled to a contribution towards his costs. I assess these as follows:

£500 for considering the notice of opposition and application for invalidation and filing counterstatements;

£1400 for filing evidence and considering Enterprises' evidence;

£1000 for attending a hearing and filing a skeleton argument.

67. I therefore order RVT Enterprises UK Ltd to pay Mr James Charles Lindsay the sum of £2900. This sum to be paid within 50 days of the date shown below.

Dated this 19th day of June 2018

**Allan James
For the Registrar**