

**BL O/570/18**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF UK REGISTRATION NO. 3223495  
IN THE NAME OF WILTSGROVE LTD  
IN RESPECT OF THE TRADE MARK**

**BC ELECTRONICS**

**AND**

**AN APPLICATION FOR A DECLARATION OF INVALIDITY  
THEREOF UNDER NO. 501723  
BY WILLIAM IVOR CUTLAN**

## Background and pleadings

1. The trade mark **BC ELECTRONICS** was applied for on 6 April 2017 and entered onto the register on 23 June 2017. It stands in the name of Wiltsgrove Ltd (the registered owner).
2. The mark is registered in respect of goods in class 9, as follows:

*Infrared remote control apparatus; infrared remote controllers; multifunctional remote controls; remote control apparatus; remote control units; remote controls; remote controllers; remote control receivers; remote controls for stereos; remote controls for televisions; television remote controllers; TV remote controls; remote controls for radios; remote controls for projectors.*

3. On 7 August 2017, Mr William Ivor Cutlan (the applicant) applied under section 47 of the Trade Marks Act 1994 (the Act) for the trade mark registration to be declared invalid. The application is based on section 5(4)(a) of the Act. Mr Cutlan states that he has used the sign **BC Electronics** since 1 September 1993, throughout the UK, in relation to replacement remote control handsets for televisions. He claims that the use of the registered owner's mark could be prevented under the law of passing off as it would constitute a misrepresentation to the public that the goods sold under the mark are connected to Mr Cutlan.
4. The registered owner filed a counterstatement denying the claims made.
5. Both sides filed evidence in these proceedings. This will be summarised to the extent that it is considered necessary. No hearing was requested and neither side filed written submissions. This decision is therefore taken following a careful perusal of the papers.
6. Both sides have represented themselves in these proceedings.

## Legislation

7. Section 5(4)(a) of the Act states that:

“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 ...”

...

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.”

8. Section 47 of the Act states that:

“(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.”

## Evidence

9. The applicant’s evidence consists of a witness statement dated 2 January 2018 from Mr Cutlan. In it, he claims to have used the sign “**BC Electronics**” continuously for almost 25 years. Attached to the statement are the following exhibits:

Exhibit WIC1: a letter from HM Revenue & Customs (HMRC) dated 11 July 2017 confirming that since 1 September 1993 Mr Cutlan has been registered with HMRC as self-employed, trading under the name “BC Electronics”.

Exhibit WIC2: a copy of a bill dated 5 March 1999 from Cardiff Council, showing that Mr Cutlan was liable for business rates on this date for a shop and premises in Splott, Cardiff.

Exhibit WIC3: a print-out from the eBay website showing a feedback profile for “b\*c\*electronics”, registered with the platform as a business seller and a member since 29 June 2002. Mr Cutlan explains that this shows the number of received pieces of feedback as nearly 32,000. On the assumption that 25% of customers leave feedback, he claims that this equates to “well over 125,000 sales”. The print-out is undated.

Exhibit WIC4: a print-out from Nominet’s website showing that the domain name [www.bcelectronics.co.uk](http://www.bcelectronics.co.uk) was registered to “bc electronics”, at the same address as Mr Cutlan’s, on 3 August 2006. This registration was due to expire on 3 August 2018.

Exhibit WIC5: a print-out from Amazon’s website showing monthly sales figures on the platform for BC Electronics. Data from four months are provided:

<b>Date</b>	<b>Ordered Product Sales</b>	<b>Units Ordered</b>
01/06/2017	£5,180.80	750
01/07/2017	£3,314.37	429
01/08/2017	£1,875.45	211
01/09/2017	£263.55	29

Mr Cutlan claims that these figures show the damage to his business from “losing the right to use my own trade mark, during the period just before and just after this dispute in mid 2017”.

10. The registered owner’s evidence consists of a witness statement from Mr Jeevan Singh dated 12 March 2018. Mr Singh uses this witness statement to attempt to rebut the claims made by Mr Cutlan that he has goodwill in the sign “**BC Electronics**”. The first exhibits are reproductions of previously submitted papers (the request for cancellation, Mr Cutlan’s witness statement, and the eBay print-out). Also attached are the following:

Exhibit XX20-23: undated print-outs from Amazon showing two replacement remote control handsets. It is not clear from the images whether the products bear the marks, but they are clearly shown on the print-outs as being produced by BC ELECTRONICS.

Exhibit XX24: an email from the Seller Performance Team at Amazon Services, dated 18 October 2016, and reporting the outcome of an intellectual property rights infringement complaint against the seller BC Electronics.

#### **Relevant date**

11. The applicant is claiming an earlier right in relation to the registered owner’s mark, as provided for by section 5(4)(a) of the Act. The onus is on the applicant to satisfy the Tribunal that its unregistered sign would have been protectable by virtue of the law of passing off before the relevant date.
12. In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O/410/11, Mr Daniel Alexander QC, sitting as the Appointed Person, approvingly quoted Mr Allan James’s summary of the position on the assessment of the relevant date:

“In *SWORDERS TM* O-212-o6 Mr Alan [sic] 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.’<sup>1</sup>

13. There is no evidence or claim by the registered owner that its mark has been used prior to the filing date. Accordingly, the relevant date is 6 April 2017.

## Decision

14. In *Jadebay Limited, Noa and Nani Limited Trading as the Discount Outlet v Clarke-Coles Limited Trading as Feel Good UK* [2017] EWHC 1400 IPEC, Her Honour Judge Melissa Clarke, sitting as a deputy Judge of the High Court, conveniently summarised the essential requirements of the law of passing off as follows:

“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.”<sup>2</sup>

15. I must first consider whether the applicant has shown that it has protectable goodwill in the sign “**BC Electronics**” by the relevant date (6 April 2017). The

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<sup>1</sup> Paragraph 43.

<sup>2</sup> Paragraph 55.

concept of goodwill was considered by the House of Lords in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217:

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old established business from a new business at its first start. The goodwill of a business must emanate from a particular centre or source. However widely extended or diffused its influence may be, goodwill is worth nothing unless it has the power of attraction sufficient to bring customers home to the source from which it emanates.”

16. Any size of business is capable of establishing goodwill. Even though goodwill may be modest, a business can protect signs which are distinctive of that business under the law of passing off: see *Stacey v 2020 Communications Plc* [1991] FSR 49.

17. The applicant must present evidence to satisfy the Tribunal that they possess goodwill in the sign. Pumfrey J reflected on this task in *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19 (HC)<sup>3</sup>:

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

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<sup>3</sup> While this and the following case concern oppositions, the comments apply also to cancellation proceedings.

trade as to reputation, evidence as to the manner in which the goods are traded or the services supplied; and so on.

28. Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed to the relevant date. Once raised, the applicant must rebut the prima facie case. Obviously, he does not need to show that passing off will not occur, but he must produce sufficient cogent evidence to satisfy the hearing officer that it is not shown on the balance of probabilities that passing off will occur.”

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

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

19. It is not always a straightforward matter to determine how much, and what kind of, activity is required to demonstrate sufficient goodwill for a passing off claim, as Mr Daniel Alexander QC noted in *Advanced Perimeter Systems v Multisys*.<sup>4</sup> He considered the decision of Mr Richard Arnold QC (as he then was), sitting as the Appointed Person, in *Pan World Brands v Tripp (Pan World)* [2008] RPC 2:

“18. In *Pan World*, the Appointed Person said that, although documentary records of use were not required, mere assertion of use of a mark by a

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<sup>4</sup> Paragraph 23



witness did not constitute evidence sufficient to defeat an application for revocation for non-use (see [31]). He did not regard a tribunal evaluating the evidence as bound to accept everything said by a witness without analysing what it amounts to. He pointed out at [37] that Hearing Officers were entitled to assess evidence critically and referred to the observations of Wilberforce J in *NODOZ Trade Mark* [1962] RPC 1 at 7:

“... in a case where one single act is relied on it does seem to me that the single act ought to be established by, if not conclusive proof, at any rate overwhelmingly convincing proof. It seems to me that the fewer the acts relied on the more solidly ought they to be established.”

19. *Pan World* and *NODOZ* were applications for revocation for non-use. The approach to use is not the same as in a s.5(4)(a) case. As Floyd J said in *Minimax*, it is possible for a party to have made no real use of a mark for a period of five years but to retain goodwill sufficient to support a passing off action. Conversely, use sufficient to prevent revocation for non-use may be insufficient to found a case of passing off.

20. However, the approach to evaluation of evidence of use is similar: the less extensive the evidence of use relied on, the more solid it must be. The Registrar is not obliged to accept – and in some circumstances may be obliged to reject – a conclusory assertion by a witness that it has a given goodwill at the relevant date or that the use by a third party of a similar mark would amount to misrepresentation, when the material relied upon in support does not bear that out.”

20. The registered owner has challenged the evidence submitted by the applicant as being untrue. He claims that the website does not exist, and that ownership of a domain name does not mean an entitlement to use the mark. He also states that the eBay and Amazon stores are shop names that can be easily created or changed. Neither of these, he argues, is evidence that the applicant has the right to use the mark. He goes on to describe the applicant’s claim to have sold approximately 250,000 items as “simply fictional” and challenges the veracity of

the applicant's claims to have been operating on Amazon since 2013 and to have created many of the listings himself.

21. Tribunal Practice Notice TPN 5/2007 states that

“It is normally unacceptable for parties to invite a Hearing Officer to disbelieve the factual evidence of a witness without that witness having had the opportunity to respond to the challenge either by filing further written evidence or by answering the challenge that his or her evidence is untrue in cross-examination.”

22. The applicant was given the opportunity to submit evidence in reply, but, despite the challenges from the registered owner, has chosen not to do so. Even if no challenges had been raised, the evidence submitted by the applicant would not, in my view, be sufficient to demonstrate that he had sufficient goodwill to be protected by the law of passing off. By itself, the registration of a domain name does not indicate trade (Exhibit WIC4). Exhibit WIC3 showing a presence on eBay is undated, and the extrapolation from the feedback ratings to sales is speculative. The figures contained in Exhibit WIC5 are after the relevant date, while the letter from HMRC (Exhibit WIC1) states that the applicant was registered as trading as BC Electronics since 1 September 1993, but does not confirm that it was doing so on the relevant date. Furthermore, the applicant has not provided exhibits which show the goods themselves, or a selection of purchase orders or invoices. The picture is too incomplete and so therefore I cannot find that the applicant had protectable goodwill at the relevant date. The request for cancellation fails. In these circumstances, I am not required to consider misrepresentation or damage.

## **Conclusion**

23. The request for cancellation has failed. The trade mark may remain on the register.

## **Costs**

24. The registered owner has been successful. As they are self-represented, the Tribunal invited them to complete and return a proforma indicating the time spent on various activities associated with the proceedings. As the registered owner has not provided such information, I make no award as a contribution towards the cost of the proceedings.

**Dated this 12<sup>th</sup> day of September 2018**

**Clare Boucher  
For the Registrar  
The Comptroller-General**