

O/097/19

TRADE MARKS ACT 1994

**IN THE MATTER OF REGISTRATION NO. 3199720
IN THE NAME OF MATTHEW JAMES HAIR LIMITED**

FOR THE TRADE MARK

Curl by Curl

IN CLASSES 3 AND 44

AND

**THE APPLICATION FOR A DECLARATION OF INVALIDITY
THERE TO UNDER NUMBER 501941 BY
LORRAINE MASSEY**

Background and Pleadings

1. Matthew James Hair Limited (the registered proprietor) applied to register the trade mark UK00003199720 **Curl by Curl** in the UK on 30 November 2016. It was registered on 24 February 2017 in respect of the following goods and services:

Class 3

Hair shampoo; Hair conditioner; Hair curling preparations; Hair cream; Hair balm; Hair oil; Hair nourishers; Hair emollients; Hair oils; Hair rinses; Hair lotions; Hair tonic; Hair protection lotions; Hair care agents; Hair colouring and dyes; Hair mousse; Styling mousse; All specifically for use with curly hair.

Class 44

Hair care services; Hair styling services; Hair colouring services; Hairdressing; Providing information in the field of hair styling and hair care.

2. On 19 January 2018, Ms Lorraine Massey (the applicant) applied for a declaration that the trade mark is invalid under section 47(1) of the Trade Marks Act 1994 (the Act) on the basis of section 3(6) of that Act. The applicant claims that:
 - The registered proprietor was aware that the trade mark **Curl by Curl** belonged to the applicant;
 - The registered proprietor was aware of the applicant's intention to set up business in the UK, as she had told him about her plans following her departure from her US salon business;
 - The registered proprietor has sought to free-ride on the reputation and goodwill built up by the applicant in its mark;
 - The registrant concealed the registration of the trade mark UK00003199720 and the application for and withdrawal of an earlier trade mark, knowing that the applicant would have an interest in the applications; and
 - Consequently, the trade mark UK00003199720 was filed and registered in bad faith.

3. The registered proprietor filed a counterstatement denying the claims made. It admits that the applicant developed a technique of cutting curly hair, but denies that it used the trade mark "Curl by Curl". It submits that the name used for this technique was "DevaCut", after the name of the applicant's US salon where she was working until 2014 (Devachan). It also submits that the applicant provided feedback on the registered proprietor's website at the time of its launch, that the website referred to "Curl by Curl" as a trade mark, and that the applicant did not raise any concerns then. The registered proprietor accepts that discussions took place about the applicant's plans and that the applicant made a £10,000 loan to the registered proprietor.
4. Both sides filed evidence in these proceedings. This will be summarised to the extent that is considered appropriate.
5. Both sides filed written submissions, the applicant on 11 July 2018 and the registered proprietor on 21 November 2018. These submissions will not be summarised but will be referred to as and where appropriate during this decision. No hearing was requested and so this decision is taken following a careful perusal of the papers.
6. In these proceedings, the applicant was initially represented by Edwin Coe LLP and, following the evidence round, is self-represented. The registered proprietor is represented by Marks & Clerk LLP.

Evidence

7. The applicant's evidence comes from Ms Lorraine Massey, a professional hair stylist for over 30 years and the founder and Chairperson of Curly World LLC. Her witness statement is dated 11 July 2018.
8. The registered proprietor's evidence comes from Ms Sarah Surplice, a director of Matthew James Hair Ltd. Her witness statement is dated 6 September 2018. Ms Surplice is the mother of Matthew Surplice, a professional hair stylist who

opened his own salon in Birmingham in November 2015. This salon is called “Spring” and specialises in curly hair.

9. The applicant did not file any evidence-in-reply.
10. Ms Massey specialises in styling curly hair. At the start of 1998, she states, she developed her own method of cutting naturally curly hair. Two articles from the Naturally Curly website¹ – one from 2015 and another from 2018 – are supplied in Exhibit LM2 to support this statement. She launched her own salon in New York (Devachan) and range of products dedicated to the care of naturally curly hair and has co-authored a book on the subject: *Curly Girl: the handbook*. Within the hair industry, Ms Massey is sometimes referred to as “the original Curly Girl”.²
11. Ms Massey states that she has taught her technique to numerous hairdressers. In 2011, she met Mr Surplice, who flew to New York to spend a few days in her salons, observing the technique in use. Their contact continued over the next few years. She gave advice on Mr Surplice’s website and he arranged a charity event in October 2014 at the salon at which he was then working.
12. Both parties attest to the closeness of the relationship between Ms Massey and Mr Surplice. Ms Massey describes them as friends. Ms Surplice states:

“I agree that there was a close friendship between Ms Massey and Matthew. Matthew held Ms Massey in very high regard, he respected her and was honoured to call her his friend and mentor.”

Ms Massey attended Mr Surplice’s wedding and was invited to be godmother to his first child.
13. In 2014, Ms Massey sold her interest in the Devachan business to a private equity firm. As part of this deal, she signed a three-year non-compete agreement. During

¹ This is a community website described by Ms Massey as “dedicated to those with textured hair”.

² See, for example, the articles contained in Exhibit LM3.

this period, she discussed ideas for future collaborations with Mr Surplice. This included involvement and investment in Mr Surplice's new salon, "Spring", dedicated to the cutting, colouring and styling of naturally curly hair. The emails and WhatsApp messages that both parties have provided indicate that Ms Massey was enthusiastic about being involved with this venture.³ In 2015, she made a loan of £10,000 to Matthew James Hair Limited, with the agreement that this loan could be converted into an equity position once the non-compete agreement had expired. A promissory note was issued to this effect on 15 November 2015.

14. Ms Massey attended the salon's official opening in January 2016 and was in contact with Mr Surplice about future plans, including a product range.
15. In September 2016, the registered proprietors filed an application to register "Curl by Curl" as a trade mark. The application was later withdrawn, and a further application made on 30 November 2016. As I have already noted, the mark was registered on 24 February 2017. Both Ms Massey and Mr Surplice had discussed trade mark protection for "Spring".⁴ The parties disagree on the circumstances of, and motivations for, the application to register "Curl by Curl". I shall return to this point later in my decision.
16. Although there is a dispute as to who initiated the particular exchange, it is common ground that Ms Massey and Mr Surplice discussed ideas for names for services and/or products in March 2017.
17. Ms Massey was present at a Matthew James Hair Limited shareholders meeting on 25 June 2017. Although not a shareholder, she appears to have been invited on the assumption that she shortly would be.⁵ Following this meeting, she left earlier than expected. On 4 August 2017, her loan was repaid with interest. The registered proprietors then received a "cease and desist" letter from Ms Massey's US lawyers on 1 September 2017, demanding that they remove from their website all references to phrases which Ms Massey claimed to be her intellectual property,

³ See Exhibits LM11 and MJH 16.

⁴ Exhibits LM11 and MJH 19.

⁵ See paragraph 36 of Ms Surplice's witness statement.

and that the “Curl by Curl” trade mark be transferred to Ms Massey or be abandoned.

18. These are the points on which both parties are in agreement. For reasons that will become apparent, I shall conclude my summary of the evidence here.

Legislation

19. Section 47(1) of the Act states:

“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).”

20. 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.”

Decision

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

“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)."

22. For these proceedings, the relevant date is the date of application for the trade mark. This is 30 November 2016.

23. The applicant submits that:

"... at the time the Registrant filed the Contested Trade Mark, it had, in particular through its director, Mr Surplice, known that the Contested Trade Mark was owned and used by the Opponent [i.e. the applicant] (who is well known around the world including the UK) in relation to the goods and services concerning hair and thereby acted in a way which fell well short of the standards of acceptable commercial behaviour by nonetheless filing and registering the Contested Trade Mark without informing the Opponent even though [sic] they were in direct regular contact at the time of filing and/or without reference to the Opponent as an applicant of the trade mark filing. The Registrant's subsequent act to prevent the Opponent from using the Contested Trade Mark and alleging trade mark infringement against affiliates of the Opponent in connection with the promotion of her book demonstrates a dishonest intention in filing and registering the Contested Trade Mark."

24. The applicant's case is based on the following factors:

- a) That the registered trade mark is identical and/or confusingly similar to a sign that the applicant has been using since at least 19 July 2012 in relation to hair products and services;⁶
- b) That the applicant has been using this sign for many years;
- c) That the registered proprietor, through Mr Surplice, knew or must have known that the registered mark was identical to the applicant's sign;
- d) The applicant has built up a significant reputation in the contested mark in relation to goods and services concerning hair, and that the registered proprietor has sought to "free-ride" on this reputation and prevent others from using it;
- e) The existence of a relationship between the parties prior to the filing of the registered mark shows bad faith and a dishonest intention on the part of the registered proprietor in its decision to file the mark in its own name;
- f) The registered proprietor's decision to file the mark in September 2016, then withdraw it and refile it on 30 November 2016 with the same details was made with the intention to conceal the original filing from the applicant;
- g) The registered proprietor, through Ms Surplice, admitted it was aware that the sign belonged to the applicant;
- h) The registered proprietor has a history of using the applicant's confidential information.

25. I shall consider the first two factors together. In her evidence, Ms Massey states that:

⁶ This is the date that is given in the applicant's written submissions.

“I have always proudly considered ‘curl by curl’ to be my intellectual property and have at all times treated it as such. By way of example, when I post images on Instagram, I use the hashtag ‘#curlbycurl’ and have done so since at least 12 July 2012.”

Examples of Instagram posts are contained in Exhibit LM7. On the basis of this evidence, the earliest use of the hashtag appears to be on 19 July 2012. The hashtag has also been used by third parties. Exhibit LM8 contains 53 posts, many of which feature Ms Massey. 20 of these are earlier than the relevant date; 33 are later. In 12 of these later posts, the letters “TM” follow the phrase “curl by curl”. The phrase also appears on a certificate issued to a salon in Minneapolis in 2015, although “Curl by Curl” is in smaller text than “The CG Method” and “Original Curly Girl”.⁷ The Instagram posts would appear to be the clearest evidence supporting the applicant’s claim to have been using the sign.

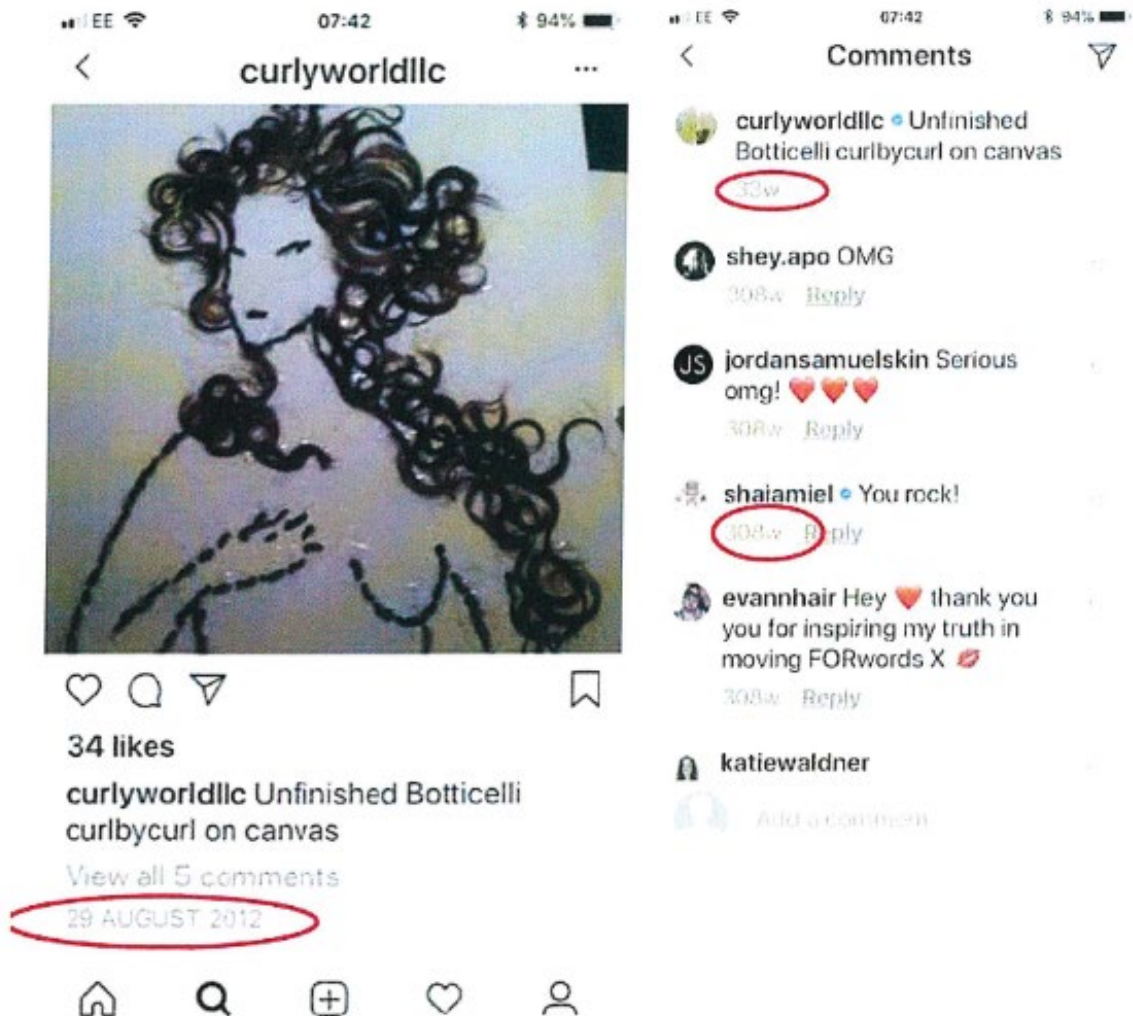
26. The registered proprietor challenges this evidence:

“Whilst I do not accept that simple use of a ‘hashtag’ constitutes use of a trade mark because hashtags are used for many purposes, in response to Ms Massey’s claim that she has used the hashtag #curlbycurl since 2012 on Instagram I have independently reviewed the information provided at Exhibit LM7. It appears that when viewing the listings from 2012 when logged in to the Instagram App, changes were made to all those posts within a period of around 6 months from now. Enclosed as Exhibit MJH8 are extracts from Ms Massey’s Instagram page, CurlyWorldLLC illustrating these posts through the Instagram website on the one hand and while logged in to the Instagram App on the other. The side by side comparison indicates that while the original posts were listed years ago, the posts have been altered in some form only more recently in the last six months or so. There are also included at Exhibit MJH 8 examples of posts from around the same period which do not feature the hashtag #curlbycurl and which have not been amended more recently as was the case with other posts. I therefore wonder if Ms Massey

⁷ Exhibit LM6.

has only more recently and long after the event amended the listings to add or increase the focus on the hashtag #curlbycurl. Accordingly Ms Massey's claim to have used the hashtag in question since 2012 is unconvincing."

27. The post below is one example from Exhibit MJH 8.



The image was posted on 29 August 2012. The text below the picture is identical to the comment containing "#curlbycurl", which appears to have been added over five years after the other comments. Four other examples are provided. Exhibit MJH8 contains other examples using the hashtag "#devacurl" or without hashtags, all dating from 2012, 2013 and 2014. The registered proprietor has cast doubt on this part of the evidence provided by the applicant. As the applicant did not submit any evidence in reply, this doubt has not been overcome.

28. If the doubt had been overcome, however, I would still find that the applicant has not provided sufficient evidence that she had been using the mark “Curl by Curl” in relation to goods and services connected with hair before the relevant date. It follows from this that she has not demonstrated the significant reputation that she claims in the mark. In the absence of sufficient evidence that the applicant was using the sign before the relevant date, I am unable to find any reason for the registered proprietor to think that the applicant had used the sign to denote the origin of goods or services or that she had reputation or goodwill connected with it.
29. Even had I found that the sign had been used in the US, that on its own would not be sufficient to find bad faith, as the Court of Justice of the European Union (CJEU) ruled in *Malaysia Dairy Industries Pte Ltd v Ankenævnet for Patenter og Varemærker*, Case C-320/12:
- “The fact that the person making that application knows or should know that a third party is using a mark abroad at the time of filing his application which is liable to be confused with the mark whose registration has been applied for is not sufficient in itself, to permit the conclusion that the person making that application is acting in bad faith within the meaning of that provision.”⁸
30. I would be required to consider whether there are other reasons to support the claim of bad faith. Such reasons could include knowledge of an intention by the applicant to enter, and use the sign in, the UK market, and a desire to pre-empt this. Both parties accept that there were discussions about future plans, but the evidence I have before me points to an expectation that the applicant would enter the market as part of the business of the registered proprietor.
31. The applicant states that the existence of a relationship between the parties means that the registered proprietor acted in bad faith when it decided to file the trade mark in its own name.

32. The registered proprietor submits that:

“it is the Proprietor’s business which had used the CURL BY CURL trade mark and accordingly it was entirely appropriate for registration to be filed in its own name”.

The evidence indicates that the applicant had shown an interest in becoming a shareholder, that she was unable to do so at the time because of her non-compete agreement, and that a loan was made, on the understanding that this could be converted into share capital once the non-compete agreement had expired. It seems to me that registering a trade mark in the name of the company is entirely within the scope of acceptable commercial behaviour.

33. In addition, the applicant presents the withdrawal of the first application as evidence of bad faith. Ms Surplice explains that the reason this was withdrawn was an administrative error, in that the registered proprietor’s then representatives omitted to pay the second part of the “right start” application fee. This explanation is confirmed by a witness statement from that representative.⁹ On this basis, I cannot find that the withdrawal of the application is in itself evidence of any dishonest intent.

34. The applicant also seeks to find support for its claim in what it describes as an admission by Ms Surplice that the sign belonged to the applicant. However, as I have noted above, even had there been use of the sign, and knowledge by the registered proprietor of this use, this would not be sufficient to find that the registered proprietor had acted in bad faith.

35. The applicant claims that the registered proprietor has a history of using her confidential information, and this is the final factor on which she bases her case. The following terms are mentioned: Enlightened; Ladies Who Scrunch; and Escape Roots. The applicant states that these names were removed following the sending of the “cease and desist letter” mentioned in paragraph 17. Ms Surplice

⁹ Exhibit MJH 4.

states that these names were removed as a gesture of goodwill. Exhibit MJH 16 contains an exchange from 29 October 2015. Ms Massey and Mr Surplice were discussing her ideas for names for products or services and Mr Surplice asks whether she is happy for him to use the names.

Mr Surplice:

you're cool with me using these [terms] right?

Ms Massey:

of course (hey I have a vested interest)

Mr Surplice:

Thank you, I wanted to ask and be sure, it's the British way after all.

In this exchange, the applicant appears to agree to the registered proprietor's use of these terms, as she has an interest in them.

36. I have examined the evidence carefully and find no evidence that the registered proprietor acted in bad faith when they made the application for the trade mark.

Conclusion

37. The application for cancellation of the trade mark on the grounds of section 3(6) of the Act fails.

Costs

38. The registered proprietor has been successful and is entitled to a contribution towards its costs. In its written submissions, the registered proprietor requested that an award of costs is made off the usual scale for the following reasons:

“In view of the large amounts of evidence submitted and that research conducted by the Proprietor has revealed various factual inaccuracies in the evidence of the Applicant which have been directly contradicted by the

Proprietor at various points in its own evidence (which is unchallenged by the Applicant) and that this has unduly increased the burden on the Proprietor in preparing its evidence.”

39. Paragraph 5.6 of the *Trade Marks Manual* states that:

“It is vital that the Tribunal has the ability to award costs off the scale, approaching full compensation, to deal proportionately with wider breaches of rules, delaying tactics or other unreasonable behaviour. ... if the Tribunal felt that a case had been brought without any bona fide belief that it was soundly based or, if, in any other way, its jurisdiction was being used for anything other than resolving genuine disputes; it has the power to award compensatory costs.”

40. Any claim for off-scale costs should be accompanied by an itemised list of costs incurred. No such list has been received. Even if the Tribunal had received this information, I would not consider an award of off-scale costs to be warranted in this instance. The volume of evidence, although large, was within normal limits and challenging the evidence-in-chief is one of the purposes of the evidence-in-response. However, I do consider that, given its volume and complexity, the registered proprietor is, in relation to the evidence, entitled to a contribution to its costs towards the higher end of the published scale

41. In view of the above, I award the registered proprietor the sum of £2900 as a contribution towards the cost of the proceedings. The sum is calculated as follows:

<i>Preparing a statement and considering the other side's statement</i>	£300
<i>Preparing evidence and considering and commenting on the other side's evidence</i>	£2200
<i>Preparation of submissions</i>	£400

42. I therefore order Ms Lorraine Massey to pay Matthew James Hair Limited the sum of £2900. The above sum should be paid within seven days of the expiry of the

appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

19th of February 2019

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