

O-493-19

TRADE MARKS ACT 1994

IN THE MATTER OF REGISTRATION No. 3281886 FOR THE TRADE MARK

EvacMAT

STANDING IN THE NAME OF

EMERGENCY EVACUATION EQUIPMENT AND TRAINING (3ET) LIMITED

AND

IN THE MATTER OF A REQUEST FOR A DECLARATION

OF INVALIDITY THERETO UNDER No.502110

BY PAINTCRAFT LIMITED

BACKGROUND

1) The following trade mark is registered in the name of Emergency Evacuation Equipment and Training (3ET) Limited (hereinafter 3ET):

Mark	Number	Filing & registration date	Class	Specifications relied upon
EvacMAT	3281886	11.01.18 27.04.18	10	Stretchers; mattresses and apparatus, all in the nature of stretchers; all for supporting and/or carrying/sliding immobile or injured persons in an emergency premise evacuation.

2) By an application dated 14 June 2018, Paintcraft Limited (hereinafter PL) applied for a declaration of invalidity in respect of this registration. The grounds are, in summary:

- a) PL contends that it has used the marks EvacMat and Bariatric EvacMat in the UK since 14 February 2013 in respect of stretchers/mats used to evacuate people. PL contends that it has goodwill in the marks and that use of the mark in suit will result in misrepresentation and damage to its business. PL contends that use of the mark in suit will offend against section 5(4)(a) of the Act.
- b) PL also contends that the controlling mind behind 3ET (Mr Wilson) worked for PL and was aware of its use of the two marks EvacMat and Bariatric EvacMat. However, shortly after leaving the employ of PL, Mr Wilson set up 3ET and applied for the mark in suit. PL claim that the mark in suit offends against section 3(6) having been applied for in bad faith.

3) 3ET provided a counterstatement, dated 14 September 2018, in which it denies that PL has any rights in either of the marks it claims to have goodwill in, and therefore it denies the claims made by PL.

4) Both sides filed evidence. Both sides ask for an award of costs. The matter came to be heard on 16 July 2019 when Mr Ivison of Counsel instructed by Messrs Dollymores represented PL; 3ET was represented by Mr Keay of Counsel instructed by Messrs Hay and Kilner LLP.

PL's Evidence

5) PL filed a witness statement, dated 11 December 2018, by Stephen Richard Clark the Sales and Marketing Director of PL a position he has held since 2002. It is clear from the evidence that PL have a number of affiliated companies and it is these companies which appear on invoices, registers etc. However, in the interest of simplicity I shall refer to them all as PL. Mr Clark states that Mr Wilson used to work as a marketing, sales and product development consultant for PL and as such was aware of the success of PL's EvacMat product. Some sixteen months after leaving PL and setting up his own company (3ET) the application for the mark in suit was filed. Once the mark was registered Mr Wilson sent PL a letter dated 11 May 2018, and then a follow up letter dated 20 May 2018. Copies of these letters are at exhibits SC1 & 2 and the content of these is set out below. Mr Clark comments on the contents of these letters, but this is not useful to my decision.

6) Mr Clark claims that his company has used the marks Bariatric EvacMat and EMS Bariatric EvacMat since 2013 when he showed a prototype at the National Association of Healthcare Fire Officers conference in Bournemouth. He states that the distinctive part of both marks is the word "EvacMat". He states that "Bariatric" is non-distinctive and descriptive because it relates to overweight people and "EMS" refers to "Emergency Medical Services". Within the medical community (which makes up the consumer base for these products) these terms would be well known and seen as descriptive. He also contends that his company has frequently referred to their products by the sole term "EvacMat". He states that his company sold their EvacMat product to 3ET and also to a company called Evac+chair International Ltd who were the owners of UK trade mark 1264999 EVACMAT until it lapsed in April 2017. He states that at the time of the sales he was unaware of the existence of mark 1264999, but that the purchaser did not object despite owning the mark being used by PL. He confirms that although the various invoices provided as exhibits showing the product as Bariatric Mat, the product itself

carried the full description which included the word “EvacMat”. He states that whilst the total sales of EvacMats only amounted to approximately £260,000 prior to the filing of the application in suit, this actually amounted to almost 100% of the market as PL’s product was the only such item on the UK market.

7) Mr Clark points out that the two individuals behind 3ET (Mr Wilson and Ms Hayward) both worked in sales and marketing for PL and both left to set up 3ET. He contends that any client who is offered 3ET’s product under the mark in suit will assume that they are still dealing with PL or an affiliate, as it is the same people selling the same product under the same mark as they did when working for PL. He provides the following exhibits:

- SC1 & 2: Copies of two letters, sent by 3ET and signed by Mr Wilson to PL, dated 11 May 2018 and 20 May 2018. The first letter informs PL that 3ET have registered the mark EvacMat and giving details of the specification. The first letter states:

“We know for fact that Paintcraft Ltd t/a Hospital Aids, Spectrum Healthcare, Marsden Fire and Evolve Healthcare Products are using the registered mark EvacMat in promoting for sale their products “Bariatric EvacMat and EMS Bariatric EvacMat” in respect of internet search engine key wording and sales literature.

Whilst you may have a defence of “first in time” for contravening the Trade Marks Act 1994 up to this date. 3ET now respectfully request that from this day forward, Paintcraft Ltd t/a Hospital Aids, Spectrum Healthcare, Marsden Fire and Evolve Healthcare Products STOP using the registered trade mark....”

The second letter simply backs up the claim that PL never used the term “EvacMat” solus prior to 3ET registering its mark.

- SC4: This consists of two invoices dated May and October 2014 which show “Bariatric mats” being sold.

- SC5: A list of exhibitions and events said to have been attended by PL, it is not clear in what year these events were held.
- SC6: Three witness statements all dealing with the physical intimidation attempted by Mr Wilson at a conference in May 2018. These do not assist my decision.
- SC8: This shows a page dated 2011 which lists the supplier of the mat as Speedings Ltd. Attached is an internal email requesting an employee to seek additional information from the supplier and/or Mr Wilson in respect of the EvacMat product.
- SC10: A variety of pages from PL's website and Fire and Rescue Life which show use of the term "Bariatric EvacMat" and also the shortened version of "EvacMat" at pages 9 (August 2013), 10 (undated), 17 (July 2014), 20, 21 & 22 (July 2014), 28/29 (November 2018), & 45 (undated).
- SC11: An internal email, dated November 2011, showing use of the term "EvacMat" solus.

3ET's Evidence

8) 3ET filed a witness statement, dated 14 January 2019, by Gary Taylor Wilson a director of 3ET; a position he has held since September 2016. He disputes the claim by PL that they were not aware of the UK trade mark 1264999 EVACMAT, as he contends they were informed by Ms Hayward who now works for 3ET. He states that initially PL sold a mat manufactured by Speedings Ltd and then began in 2014 to manufacture their own mat, following his advice. He appears to identify himself as Speedings Ltd yet, earlier in his statement, stated that he was a fireman until 2015 and was acting as a consultant in his spare time for Speedings Ltd from 2007. He states that in October 2017 he acquired from Speedings Ltd the intellectual property rights to the Evacmat he had designed for them whilst working as a consultant. He contends that his evacmat is designed for normal sized people whilst PL's Bariatric mat is for overweight people. 3ET also make a version for bariatric persons which is called the EvacPro+. He claims that PL

could not have any goodwill in their product as the only reason that anyone did business with them was because they employed Ms Hayward. He provides the following relevant exhibits:

- 2: A witness statement, dated 14 January 2019, from Mr Wallace the Managing Director of Evac+Chair International Limited (ECIL), the owner of UK trade mark 1264999 EVACMAT. He states that he informed Ms Hayward that his company owned the mark Evacmat when he had a meeting with her in 2013 and noticed that PL had a product called Bariatric Evacmat. However, he also informed her that he did not have an issue with the use by PL as it was upon a product which did not conflict with any of ECIL's products.
- 3: A witness statement by Ms Hayward, dated 12 January 2019. She confirms that whilst she was employed by PL she arranged for PL to be the distributors in the healthcare sector of a Speedings Ltd Product called Evacmat. She also confirms the meeting and conversation with Mr Wallace as set out above. There is also a claim that she was paid £10 by PL for every Evacmat that was sold.
- 6: Whilst the pages are headed as Speedings Ltd it is clearly a document that has been prepared for these proceedings, but it is not clear by whom, as it is unsigned.
- 7: A witness statement, dated 9 January 2019, by Mr Hammal the Managing Director of Speedings Ltd. He confirms that Mr Wilson worked as a consultant for his company whilst still being in full time employment as a fireman. Initially (2007) this was called the Bariatric Rescue Kit, which was developed in 2011 and the new product was called the Bariatric EvacMat. He confirms that his company supplied PL with the Bariatric Evacmat which was designed by Mr Wilson, as was the labelling used in order that it could be sold to the healthcare sector by PL. He states that Speedings were selling the Bariatric EvacMat and the Bariatric Rescue Kit to the emergency services. He provides no details of sales, such as turnover, numbers sold or any marketing material such as leaflets or copies of the company internet site. He states that his factory was so busy producing a new range of infection control bags for the ambulance service that production of the evacmat

was transferred to PL's factory. He contends that Speedings Ltd maintained its intellectual property rights for the design and name of the product. Mr Wilson became a full time employee of Speedings Ltd in 2015 and the company once again manufactured the evacmat. Finally, he states that when 3ET was set up Speedings Ltd transferred all intellectual property rights for the Bariatric Evacmat to 3ET. He attaches an assignment dated 3 October 2017.

- 12. A witness statement, dated 14 January 2019, by Mr James Wilson the Managing Director of Quazar International Ltd. He states that his company produced a label on instructions by Mr Gary Wilson acting on behalf of Speedings Ltd. From the attached artwork these labels are clearly the ones used by PL and have their reference and name upon them. There is no mention of Speedings upon them.

PL's Evidence in reply

9) PL filed a witness statement, dated 18 March 2019, by Phillip Faulkner a Director of PL, a position he has held since 1992. He makes a number of comments regarding Mr Wilson's evidence which do not assist my decision. He states that he carried out a search of Speedings Ltd website using the wayback machine and could find no reference past or present to use by Speedings Ltd of the term Evacmat. They do list a bariatric rescue kit which seems similar in nature. Exhibit PF2 refers. He points out that the label attached to the EvacMat by Speedings had details of his company upon it, which he claims they would not do if they (Speedings) had any claim to the mark. He also states that the claims by Mr Hamal of Speedings, that they were selling the EvacMat into the emergency services, is untrue as only PL were selling the product with EvacMat upon it. He also denies that his company had any form of distribution, licence, agreement or contract with Speedings regarding the sales of the product EvacMat. He states that the products supplied by Speedings were not rebranded as claimed but were branded with PL's name by Speedings at PL's request. He states that when the manufacture of the EvacMat was transferred to his company's factory, no payment or agreement was made with or to Speedings. At this point Speedings ceased to have anything to do with the EvacMat. The label attached to the EvacMat refers to a Medicines and Healthcare Products Regulatory Agency (MHRA) number. The only company on the register associated with EvacMat is

PL and the details on the product such as company name, domain name and telephone all relate to PL. He provides the following relevant exhibits:

- PF2 /3: Copies of searches covering the period 2011-2019 using the wayback machine which shows no use by Speedings Ltd on their website of the term EvacMat. There is a similar product which is referred to as a Bariatric Rescue Kit.
- PF4: Copies of invoices from Speedings Ltd to one of PL's affiliated companies (Spectrum Healthcare) which lists the item provided as "Spectrum Health Bariatric EvacMat. Mr Faulkner comments that if Speedings owned the mark EvacMat it would not have referred to the product in this manner.
- PF11: A copy of a letter, dated November 2007, from MHRA confirming that PL is registered under number CA 007866.
- PF14: Copies of pages from PL's website using the Wayback Machine which shows use of the term EvacMat by PL dated February 2013 and May 2015.
- PF15: An email from MHRA stating that number CA 007866 was archived on 19 July 2013 and replaced with number CA 012467.
- PF16: An undated picture said to be from mid-2013 which shows the EvacMat product with the MHRA number CA 007866. It also states that it is part of the SKI range of products (SKI being a brand owned by PL).
- PF17: An image from a youtube video posted on 28 February 2014 which shows an EvacMat with the number CA 012467 upon it and the name of PL.

ADDITIONAL EVIDENCE OF 3ET

10) On 11 July 2019, 3ET sought permission to file an additional witness statement, dated 11 July 2019, by Mr Wilson. He seeks to file, as exhibits, invoices from Speedings Ltd to councils and Fire Brigades which describe the item supplied as an EvacMat.

However, Mr Wilson is not and has never been an Officer of Speedings Ltd and he does not explain how he obtained these documents.

11) At the hearing I was referred to factors to be considered when deciding on the admissibility of late evidence as set out by Henry Carr J in *Property Renaissance Ltd (t/a Titanic Spa) v Stanley Dock Hotel Ltd (t/a Titanic Hotel)* [2016] EWHC 3103 (Ch); [2017] ETMR 12 at [34]:

- “i) The materiality of the evidence in question to the issues that the Registrar has to determine;
- ii) The justice and fairness of subjecting the opposite party to the burden of the evidence in question at the stage that the registry proceedings have reached, including the reasons why the evidence was not filed earlier;
- iii) Whether the admission of the further evidence would prejudice the opposite party in ways that cannot be compensated for in costs (e.g. excessive delays); and
- iv) The fairness to the applicant of excluding the evidence in question, including prejudice to the applicant if it is unable to rely on such evidence.”

12) For 3ET, Mr Keay contended:

“15. The new evidence is plainly highly material to the issue of ownership of goodwill in that it proves that Speedings sold the Bariatric EvacMat to customers other than Paintcraft. The issue of ownership of goodwill is the key issue in these proceedings.

16. There is no particular prejudice to Paintcraft. The evidence relates to a narrow (but important) point that was already raised in 3ET’s existing evidence. Mr Wilson and Mr Hammal both explained that Speedings sold the Bariatric EvacMat to emergency service customers (Wilson §4 [B], Hammal §9 [B7]). Paintcraft’s response to this evidence was typical of its conduct in these proceedings: Mr Faulkner made a baseless accusation that Mr Hammal was lying (Faulker § 28 [E]), yet Paintcraft has not sought to cross-examine Mr Hammal. It is therefore just and fair to allow 3ET to rely on the invoices and demonstrate that Mr Faulkner’s accusation is completely wrong.

17. Paintcraft is plainly not deserving of the tribunal's sympathy on this point. Having made a serious and baseless allegation against Mr Hammal, it cannot complain when 3ET seeks to rebut that allegation. On the other hand, if the evidence is not admitted this will cause prejudice to 3ET as it will be deprived of materials which conclusively show that the allegation is wrong.

18. Although the evidence has been filed late, it should be noted that 3ET was unrepresented until very recently. There is also no reason why the new evidence cannot be addressed by Paintcraft in argument prior to the hearing."

13) Whilst for PL, Mr Ivison contended:

"6. 3ET obtained evidence from Mr Hammal (MD of Speedings) and even managed to obtain printouts from Speedings' accounting software: [B/11].

7. Clearly the alleged invoices exhibited to Mr Wilson's witness statement could have been obtained at the same time – they are dated from 2011, 2014, and 2015, and presumably would have been available from Speedings' accounting team.

8. It is simply not good enough for Mr Wilson to produce this evidence so late with no explanation for why.

9. It is completely unsatisfactory that no explanation has been given for where the invoices exhibited by Mr Wilson came from, how they were obtained, or who obtained them. Given that they are purportedly documents obtained from Speedings, somebody with personal knowledge of how they were obtained should have exhibited them; or at least, Mr Wilson should have explained carefully how they were obtained.

10. If the invoices exhibited to Mr Wilson's witness statement are to be taken at face value, it appears that Speedings may have been selling the Bariatric EvacMAT behind Paintcraft's back and without its permission; nothing in the evidence suggests that Paintcraft were aware that Speedings were doing any such thing. Accordingly in order for this evidence to be admitted fairly, it would be necessary for Paintcraft to be permitted time to investigate the factual situation (including, in particular, talking to

the alleged purchasers of the products shown on the invoices) and to give evidence to set out what it knew of Speedings' activities. It is far too late for it to do so now.

11. In these circumstances, Paintcraft simply cannot respond to the evidence submitted in time and is not therefore in a position even to admit the authenticity of the documents presented – and it would be entitled to satisfy itself of the same given the late stage at which they are produced and the lack of any explanation for why they are produced so late and where they came from.

12. Even if it were accepted, the evidence submitted is not going to make a material difference to the outcome of the proceedings: it purports to show sales of 12 products over an 8 year period, direct to state bodies such as fire stations. No evidence is given of what the products looked like – they have had Paintcraft's trading name or MHRA CA number applied to them – or how they were marketed to the purchasers (presumably before the invoice was issued). But even if it did establish that a tiny amount of goodwill existed several years ago in relation to 3 entities, that would not prevent 3ET's notional and fair use of the Mark in relation to the class 10 goods at the filing date from amounting to passing off: it does not mean that Paintcraft does not have goodwill or that a damaging misrepresentation would not result.

13. The admission of the new evidence would prejudice Paintcraft. It comes too late, with no explanation for its lateness. It must not be admitted."

14) Clearly, the invoices could be relevant in relation to whether Speedings Ltd were using the mark EvacMat before PL began its use. However, these documents have been provided by Mr Wilson, who is not an officer of the company and without an explanation of how or where he obtained the documents. There is an obvious question mark over their validity in the absence of any such explanation. Further, given the dates on the documents there is no reason why these could not have been supplied either with the original witness statement of the Director of Speedings or at any point in the intervening months since PL's evidence pointed out the lack of corroboration of the claim that Speedings Ltd were the senior users. The invoices themselves do not show what, if any label, was upon the goods. As Mr Ivison points out, it could have been sold with the label produced for PL and bearing their details and MHRA number. The contention that 3ET were not represented until recently is not, in my view, a valid reason for allowing in

evidence at such a late stage. PL have had only two working days to consult with their legal advisors and to carry out any investigation around the validity of the documents and whether Speedings Ltd have infringed PL's rights. Even if allowed into the proceedings, the absence of any explanation of where these documents were obtained and why they were not submitted by Mr Hamal of Speedings, would mean that I could attach little weight to them. I therefore ruled that the evidence would not be admitted into the proceedings.

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

DECISION

16) The relevant section regarding invalidity states:

“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.

(2A) But the registration of a trade mark may not be declared invalid on the ground that there is an earlier trade mark unless –

- (a) the registration procedure for the earlier trade mark was completed within the period of five years ending with the date of the application for the declaration,
- (b) the registration procedure for the earlier trade mark was not completed before that date, or
- (c) the use conditions are met.

(2B) The use conditions are met if –

- (a) within the period of five years ending with the date of the application for the declaration the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or
- (b) it has not been so used, but there are proper reasons for non-use.

(2C) For these purposes –

- (a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and
- (b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(2D) In relation to a European Union trade mark or international trade mark (EC), any reference in subsection (2B) or (2C) to the United Kingdom shall be construed as a reference to the European Union.

(2E) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.

(2F) Subsection (2A) does not apply where the earlier trade mark is a trade mark within section 6(1)(c)

(3) An application for a declaration of invalidity may be made by any person, and may be made either to the registrar or to the court, except that-

(a) if proceedings concerning the trade mark in question are pending in the court, the application must be made to the court; and

(b) if in any other case the application is made to the registrar, he may at any stage of the proceedings refer the application to the court.

(4) In the case of bad faith in the registration of a trade mark, the registrar himself may apply to the court for a declaration of the invalidity of 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.”

17) The first ground of invalidity is under Section 5(4)(a) which states as follows:

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

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

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of an “earlier right” in relation to the trade mark.”

18) Halsbury’s Laws of England (4th Edition) Vol. 48 (1995 reissue) at paragraph 165 provides the following analysis of the law of passing off. The analysis is based on guidance given in the speeches in the House of Lords in *Reckitt & Colman Products Ltd v. Borden Inc.* [1990] R.P.C. 341 and *Erven Warnink BV v. J. Townend & Sons (Hull) Ltd* [1979] AC 731. It is (with footnotes omitted) as follows:

“The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:

(1) that the plaintiff’s goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;

(2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by the defendant are goods or services of the plaintiff; and

(3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant’s misrepresentation.

The restatement of the elements of passing off in the form of this classical trinity has been preferred as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House. This latest statement, like the House’s previous statement, should not, however, be treated as akin to a statutory definition or as if the words used by the House constitute an exhaustive, literal definition of passing off, and in particular should not be used to exclude from the ambit of the tort recognised forms of the action for passing off which were not under consideration on the facts before the House.”

19) Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph 184 it is noted (with footnotes omitted) that:

“To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

(1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and

(2) that members of that class will mistakenly infer from the defendant’s use of a name, mark or other feature which is the same or sufficiently similar that the defendant’s goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

(a) the nature and extent of the reputation relied upon;

(b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;

(c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;

(d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and

(e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.”

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action.”

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

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

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

51. However, according to Article 8(4) of Regulation No 40/94 the relevant date is not that date, but the date on which the application for a Community trade mark was filed, since it requires that an applicant seeking a declaration of invalidity has acquired rights over its non-registered national mark before the date of filing, in this case 11 March 2000.’

40. Paragraph 51 of that judgment and the context in which the decision was made on the facts could therefore be interpreted as saying that events prior to the filing date were irrelevant to whether, at that date, the use of the mark applied for was liable to be prevented for the purpose of Article 8(4) of the CTM Regulation. Indeed, in a recent case before the Registrar, *J Sainsbury plc v. Active: 4Life Ltd* O-393-10 [2011] ETMR 36 it was argued that *Last Minute* had effected a fundamental change in the approach required before the Registrar to the date for assessment in a s.5(4)(a) case. In my view, that would be to read too much into paragraph [51] of *Last Minute* and neither party has advanced that radical argument in this case. If the General Court had meant to say that the relevant authority should take no account of well-established principles of English law in deciding whether use of a mark could

be prevented at the application date, it would have said so in clear terms. It is unlikely that this is what the General Court can have meant in the light of its observation a few paragraphs earlier at [49] that account had to be taken of national case law and judicial authorities. In my judgment, the better interpretation of *Last Minute*, is that the General Court was doing no more than emphasising that, in an Article 8(4) case, the *prima facie* date for determination of the opponent's goodwill was the date of the application. Thus interpreted, the approach of the General Court is no different from that of Floyd J in *Minimax*. However, given the consensus between the parties in this case, which I believe to be correct, that a date prior to the application date is relevant, it is not necessary to express a concluded view on that issue here.

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

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

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

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

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

21) The mark in suit was applied for on 11 January 2018, and that date is, therefore, the material date. However, if 3ET had used its trade mark prior to this then this use must also be taken into account. It could, for example, establish that 3ET is the senior user, or that the status quo should not be disturbed; any of which could mean that 3ET’s use would not be liable to be prevented by the law of passing-off – the comments in *Croom’s Trade Mark Application [2005] RPC 2* and *Daimlerchrysler AG v Javid Alavi (T/A Merc) [2001] RPC 42* refer. In the instant case 3ET has not provided any evidence of use of its mark prior to the date of application. However, it does contend that the mark in suit was first used by a company called Speedings Ltd, who subsequently assigned any rights it owned in the mark to 3ET. It is contended that Speedings Ltd used the mark first in approximately 2011, preceding PL’s claim of first use in 2013.

22) I will first consider whether the evidence shows that Speedings Ltd was the senior user. It was accepted by both parties at the hearing that the idea of using a mat to move people was developed by Speedings Ltd with input from its consultant fireman, Mr Wilson. PL acknowledge that they saw the product and approached Speedings Ltd in order to sell it to their client’s in the healthcare sector. I have no doubt that Speedings Ltd was selling the mat to its own clients in the emergency services sector. In his statement, Mr Hammal states that initially this was called the Bariatric Rescue Kit. It is claimed that this product was developed into the Bariatric EvacMat that was supplied to PL. Mr Hammal then states that both the Bariatric Rescue Kit and the Bariatric EvacMat were sold by his company to the emergency services. At the hearing Mr Keay pointed out that both Mr Hammal and Mr Wilson had asserted that Speedings Ltd sold a product called a Bariatric EvacMat to the emergency services from around 2011 onwards. It was also pointed out that although PL had stated in its evidence that it did not accept these statements, no attempt had been made by PL to cross examine either witness, and as

such it was effectively unchallenged. Mr Keay invited me to accept the assertion as proof that Speedings Ltd was the senior user. In considering unchallenged evidence I look to the comments of Mr Arnold Q.C (as he was) when acting as the Appointed Person in *Extreme* BL/161/07 where he commented on the issue of unchallenged evidence and cross examination:

“Unchallenged evidence

33. *Phipson on Evidence* (16th ed) states at paragraph 12-12:

In general a party is required to challenge in cross-examination the evidence of any witness of the opposing party if he wishes to submit to the court that the evidence should not be accepted on that point. The rule applies in civil cases as it does in criminal. In general the CPR does not alter that position.

This rules [sic] serves the important function of giving the witness the opportunity of explaining any contradiction or alleged problem with his evidence. If a party has decided not to cross-examine on a particular important point, he will be in difficult in submitting that the evidence should be rejected.

However the rule is not an inflexible one...

34. The authority cited in support of this statement of the law is the decision of the House of Lords in *Browne v Dunn* (1894) 6 R 67. The relevant passages from the speeches are set out in the judgment of Hunt J in *Allied Pastoral Holdings v Federal Commissioner of Taxation* (1983) 44 ALR 607, the material parts of which are quoted in the judgment of the Court of Appeal in *Markem Corp v Zipher Ltd* [2005] EWCA Civ 267, [2005] RPC 31 at [59]-[60].

35. In my judgment the learned editors of *Phipson* are correct to say that the rule is not an inflexible one. There are at least two well-established exceptions to it. The first is that, as the speech of Lord Herschell LC in *Browne v Dunn* makes clear, it may not be necessary to cross-examine on a point if the witness has been given full notice of it before making his statement. As I pointed out in *BRUTT Trade Marks*

[2007] RPC 19 at [23], this may be significant in registry proceedings where evidence is given sequentially. The second is that a court is not obliged to accept a witness's evidence in the absence of cross-examination if it is obviously incredible: see *National Westminster Bank plc v Daniel* [1993] 1 WLR 1453.

36. Where, however, evidence is given in a witness statement filed on behalf of a party to registry proceedings which is not obviously incredible and the opposing party has neither given the witness advance notice that his evidence is to be challenged nor challenged his evidence in cross-examination nor adduced evidence to contradict the witness's evidence despite having had the opportunity to do so, then I consider that the rule in *Brown v Dunn* applies and it is not open to the opposing party to invite the tribunal to disbelieve the witness's evidence.

37. Despite this, it is not an uncommon experience to find parties in registry hearings making submissions about such unchallenged evidence which amount to cross-examination of the witness in his absence and an invitation to the hearing officer to disbelieve or discount his evidence. There have been a number of cases in which appeals have been allowed against the decisions of hearing officers who have accepted such submissions. Two recent examples where this appears to have happened which were cited by counsel for the proprietor are *Score Draw Ltd v Finch* [2007] EWHC 462 (Ch), [2007] BusLR 864 and *EINSTEIN Trade Mark (O/068/07)*. Another recent example is *Scholl Ltd's Application (O/199/06)*. I consider that hearing officers should guard themselves against being beguiled by such submissions (which is not, of course, to say that they should assess evidence uncritically)."

23) In the instant case PL did comment upon the assertion and stated that they did not accept that Speedings Ltd had sold goods under the EvacMat mark. Whilst it is difficult to prove a negative they did file copies of a search of Speedings Ltd website for the period 2011-2019 which showed no use of the term. This has not been countered by 3ET. I also consider the views expressed in *Awareness Limited v Plymouth City Council*, Case BL O/236/13, Mr Daniel Alexander Q.C. as the Appointed Person stated that:

“22. The burden lies on the registered proprietor to prove use..... However, it is not strictly necessary to exhibit any particular kind of documentation, but if it is likely that such material would exist and little or none is provided, a tribunal will be justified in rejecting the evidence as insufficiently solid. That is all the more so since the nature and extent of use is likely to be particularly well known to the proprietor itself. A tribunal is entitled to be sceptical of a case of use if, notwithstanding the ease with which it could have been convincingly demonstrated, the material actually provided is inconclusive. By the time the tribunal (which in many cases will be the Hearing Officer in the first instance) comes to take its final decision, the evidence must be sufficiently solid and specific to enable the evaluation of the scope of protection to which the proprietor is legitimately entitled to be properly and fairly undertaken, having regard to the interests of the proprietor, the opponent and, it should be said, the public.”

and further at paragraph 28:

“28. I can understand the rationale for the evidence being as it was but suggest that, for the future, if a broad class, such as “tuition services”, is sought to be defended on the basis of narrow use within the category (such as for classes of a particular kind) the evidence should not state that the mark has been used in relation to “tuition services” even by compendious reference to the trade mark specification. The evidence should make it clear, with precision, what specific use there has been and explain why, if the use has only been narrow, why a broader category is nonetheless appropriate for the specification. Broad statements purporting to verify use over a wide range by reference to the wording of a trade mark specification when supportable only in respect of a much narrower range should be critically considered in any draft evidence proposed to be submitted.”

24) I accept that the learned judge was commenting upon the issue of proof of use of a mark, but to my mind it is perfectly reasonable to apply the same principles when a party is seeking to prove it was the senior user. In the instant case an assertion was made by a director of Speedings Ltd, but this assertion was not corroborated with turnover or marketing figures, examples of sales literature or copies of the company website showing the item being promoted or indeed any documentary evidence of any kind. I accept that the assertion was repeated by Mr Wilson although I note that he is not and never has

been an officer of Speedings Ltd. At the hearing Mr Keay contended that, despite not being an officer of the company, Mr Wilson could still provide information from his own knowledge. Whilst I accept this point, Mr Wilson is hardly an independent witness. I also take into account that no documentation was filed to corroborate the assertion despite the evidence filed by PL showing no use of the mark EvacMat on Speedings Ltd website. I also note that this evidence has not been challenged by 3ET. To my mind, PL can reasonably point to their unchallenged evidence from Speedings Ltd's website which shows no use of the mark EvacMat, and contrast that to the bare assertion with no corroboration put forward by Speedings Ltd. I also take into account how simple it would have been for Speedings to provide the kind of corroboration required which would not have been onerous, consisting of some invoices and turnover figures, or perhaps copies from their website or sales literature showing use of the mark as claimed. It does not seem much to require for a party wishing to prove it is the senior user to go to such minor lengths. I therefore find that Speedings Ltd has not shown that it has ever used the mark Bariatric EvacMat or EvacMat in respect of any goods.

25) I next move to the issue of whether PL was merely a distributor of products on behalf of Speedings Ltd in which case all the goodwill accrued by PL would belong to Speedings Ltd. I note that PL denied in its evidence that any such agreement ever existed. I have a number of problems with Speedings Ltd's claim. Firstly, whilst the assertion is made by Mr Hammal a director of Speedings Ltd the only corroboration provided is a witness statement of Ms Hayward, a director of 3ET, who cannot be regarded as an independent witness. She claims to have had a conversation with Mr Hammal and agreed that PL companies would become distributors of Speedings Ltd product. It is unclear whether she had the authority to enter into any agreements on behalf of her employer (at the time PL), as she would appear to have only been a sales manager. Crucially no written agreement or even an exchange of letters between the companies has been filed which would show that such an agreement was indeed in place, despite the clear denial by PL in evidence. Further, the products supplied by Speedings Ltd to PL had a special label sown upon them which identified the provider as PL and included the MRHA number which would also identify PL. Any products sold by PL during the time that they were supplied by Speedings Ltd, could only have accrued goodwill to PL as there was no indication anywhere on the product, as far as the evidence shows, that Speedings Ltd were in any way connected with the product. From 2014 PL began to manufacture its own mats, with

the full knowledge of Speedings Ltd, as they (Speedings) could not supply enough units. PL state that these items also carried the same label identifying PL as the supplier and carrying the MRHA number (albeit updated during the period in question). From the information upon the product only PL could be identified as the supplier of the product. I also note that PL does not appear to have paid Speedings Ltd any monies during the period 2014 to date, which would normally be expected if a distribution agreement was in place. I note that Speedings Ltd's evidence was silent on this point. At the hearing Mr Keay was very eloquent on the issue of written agreements not being required to prove that a distribution agreement / licence existed between the parties. I would have been happy to accept this contention had any payments been made to Speedings Ltd by PL other than those concerning the actual provision of goods prior to PL moving production in-house. In the absence of any corroboration I am unwilling to accept that such an agreement existed. The question I kept coming back to was, if Speedings truly owned the design and trade mark rights why would Speedings Ltd agree for PL to manufacture the goods that Speedings Ltd designed, and use the name that Speeding considered its own for no payment or even acknowledgement on the goods or sales literature that Speedings was the owner of the design and trade mark rights? The only conclusion I could reach, if I accepted Speedings version of events, was that, just like Evac+chair, they considered that PL were selling goods that they were not interested in or using a mark that Speedings was not using and so acquiesced in PL's use of their design and mark. I also note that the evidence suggests, that when working for PL, Mr Wilson improved the design of the product which might have meant that Speedings would no longer be able to rely upon any design rights. Mr Keay also referred to the payment said to be made to Ms Hayward by PL (£10 commission on every mat sold). He claimed that such a payment was inconsistent with PL acquiring ownership of the product and the brand. To my mind, and, based on my own extensive experience with UK industry, paying a salesperson a commission based on sales is common practice throughout industry in the UK. I see nothing unusual in this agreement and do not accept the conclusion suggested by Mr Keay.

26) My findings in paragraphs 24 and 25 mean that Speedings Ltd has failed to show that it had goodwill in the mark Bariatric EvacMat or EvacMat through its own use or via the sales made by PL because PL was acting as a distributor. As a result, the material date for the invalidity must be 11 January 2014.

Goodwill

27) I now turn to consider the evidence filed by PL to determine when it began use of its mark and upon which goods. In determining this I take into account of the guidance in the case of *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19 (HC), Pumfrey J. stated:

“27. There is one major problem in assessing a passing 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 R.P.C. 97 as qualified by *BALI Trade Mark [1969] R.P.C. 472*). Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.

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

28) 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.”

29) From the evidence filed by PL it is clear that they have had goodwill in respect of the Bariatric EvacMat mark in relation to stretchers / mats used to evacuate people. Although the turnover figure provided is relatively small the evidence of publicity in magazines such as Fire and Rescue Life (in the period July 2014-November 2018), invoices, and a list exhibitions and events attended show that PL have worked to build up a reputation in the Bariatric EvacMat trade mark. I also note that inevitably in a number of the magazine articles the name was shortened to EvacMat. **I conclude that PL has shown it has goodwill in the mark “Bariatric EvacMat” in respect of stretchers / mats used to evacuate people amongst a substantial proportion of the relevant consumers in the UK.**

Misrepresentation

30) As part of the test under this ground of invalidity I must take into account the distinctiveness of the sign being relied upon. In *Office Cleaning Services Limited v Westminster Window & General Cleaners Limited* [1946] 63 RPC 39, Lord Simonds stated that:

“Where a trader adopts words in common use for his trade name, some risk of confusion is inevitable. But that risk must be run unless the first user is allowed unfairly to monopolise the words. The court will accept comparatively small differences as sufficient to avert confusion. A greater degree of discrimination may fairly be expected from the public where a trade name consists wholly or in part of words descriptive of the articles to be sold or the services to be rendered.”

31) In the instant case, the mark relied upon is Bariatric EvacMat. To my mind, the term “bariatric” is a well-known word particularly amongst the potential consumers of the product which would be the emergency services, hospitals care homes etc where a person might need to be carried out of a building to a place of safety in the event of a fire etc. It would be clear to any such professional that the item is designed for those who are

obese. Therefore, the word Bariatric is descriptive and not distinctive, The distinctive and dominant element therefore is the term “EvacMat”. This is obviously allusive as it relates to a mat upon which a person is evacuated from a building, but it is not actually descriptive and must be said to have a low degree of inherent distinctiveness.

32) In *Neutrogena Corporation and Another v Golden Limited and Another*, 1996] RPC 473, Morritt L.J. stated that:

“There is no dispute as to what the correct legal principle is. As stated by Lord Oliver of Aylmerton in *Reckitt & Colman Products Ltd. v. Borden Inc.* [1990] R.P.C. 341 at page 407 the question on the issue of deception or confusion is

“is it, on a balance of probabilities, likely that, if the appellants are not restrained as they have been, a substantial number of members of the public will be misled into purchasing the defendants' [product] in the belief that it is the respondents'[product]”

The same proposition is stated in Halsbury's Laws of England 4th Edition Vol.48 para 148. The necessity for a substantial number is brought out also in *Saville Perfumery Ltd. v. June Perfect Ltd.* (1941) 58 R.P.C. 147 at page 175 ; and *Re Smith Hayden's Application* (1945) 63 R.P.C. 97 at page 101.”

And later in the same judgment:

“.... for my part, I think that references, in this context, to “more than *de minimis*” and “above a trivial level” are best avoided notwithstanding this court's reference to the former in *University of London v. American University of London* (unreported 12 November 1993) . It seems to me that such expressions are open to misinterpretation for they do not necessarily connote the opposite of substantial and their use may be thought to reverse the proper emphasis and concentrate on the quantitative to the exclusion of the qualitative aspect of confusion.”

“The role of the court, including this court, was emphasised by Lord Diplock in *GE Trade Mark* [1973] R.P.C. 297 at page 321 where he said:

‘where the goods are sold to the general public for consumption or domestic use, the question whether such buyers would be likely to be deceived or confused by the use of the trade mark is a “jury question”. By that I mean: that if the issue had now, as formerly, to be tried by a jury, who as members of the general public would themselves be potential buyers of the goods, they would be required not only to consider any evidence of other members of the public which had been adduced but also to use their own common sense and to consider whether they would themselves be likely to be deceived or confused.

The question does not cease to be a “jury question” when the issue is tried by a judge alone or on appeal by a plurality of judges. The judge's approach to the question should be the same as that of a jury. He, too, would be a potential buyer of the goods. He should, of course, be alert to the danger of allowing his own idiosyncratic knowledge or temperament to influence his decision, but the whole of his training in the practice of the law should have accustomed him to this, and this should provide the safety which in the case of a jury is provided by their number. That in issues of this kind judges are entitled to give effect to their own opinions as to the likelihood of deception or confusion and, in doing so, are not confined to the evidence of witnesses called at the trial is well established by decisions of this House itself.”

33) In *Comic Enterprises Ltd v Twentieth Century Fox Film Corporation* [2016] EWCA Civ 41, Kitchin LJ considered the role of the average consumer in the assessment of a likelihood of confusion. Kitchen L.J. concluded:

“... if, having regard to the perceptions and expectations of the average consumer, the court concludes that a significant proportion of the relevant public is likely to be confused such as to warrant the intervention of the court then it may properly find infringement.”

34) When considering misrepresentation it is the plaintiff's customers or potential customers that must be deceived. In *Neutrogena Corporation and Another v Golden Limited and Another*, 1996] RPC 473, Morritt L.J. stated that:

“This is the proposition clearly expressed by the judge in the first passage from his judgment which I quoted earlier. There he explained that the test was whether a substantial number of the plaintiff's customers or potential customers had been deceived for there to be a real effect on the plaintiff's trade or goodwill.”

35) The customers of the plaintiff (PL) are, broadly speaking, hospitals, the emergency services and residential homes. Technically their equipment is designed for those patients deemed obese, however, undoubtedly in the case of an emergency the product could be used to move a non-obese patient / resident if it was the most effective way of evacuating the individual. When purchasing such an item it might be thought prudent to purchase one which can accommodate all needs rather than purchase an item which can only accommodate non-obese individuals. To my mind, the goods of the two parties are clearly in competition with each other. Even if this view is not accepted it is equally clear, in my opinion, that both would be seen as part of the same range, one for non-obese the other for the obese. The marks of the two parties are “EvacMAT” and “Bariatric EvacMat”. Earlier in this decision I found that the term “bariatric” would be well-known amongst the professionals who comprise the consumers of such products. **I believe that misrepresentation is inevitable.** I note that in his skeleton and at the hearing Mr Keay was effectively silent on this issue.

Damage

36) In *Harrods Limited V Harrodian School Limited* [1996] RPC 697, Millett L.J. described the requirements for damage in passing off cases like this:

“In the classic case of passing off, where the defendant represents his goods or business as the goods or business of the plaintiff, there is an obvious risk of damage to the plaintiff's business by substitution. Customers and potential customers will be lost to the plaintiff if they transfer their custom to the defendant in the belief that they are dealing with the plaintiff. But this is not the only kind of

damage which may be caused to the plaintiff's goodwill by the deception of the public. Where the parties are not in competition with each other, the plaintiff's reputation and goodwill may be damaged without any corresponding gain to the defendant. In the *Lego* case, for example, a customer who was dissatisfied with the defendant's plastic irrigation equipment might be dissuaded from buying one of the plaintiff's plastic toy construction kits for his children if he believed that it was made by the defendant. The danger in such a case is that the plaintiff loses control over his own reputation.

37) In the instant case Mr Keay contended that no instances of misrepresentation had been shown. However, I note that 3ET have not shown any use of their markl they did not provide any sales or turnover figures and so it is not possible to be certain that 3ET has yet sold any goods for which its mark is registered, or indeed any goods. In a *quia timet* action it is clearly not possible to show that damage has been suffered. In *Draper v Trist and Trisbestos Brake Linings Ltd* 56 RPC 429 Goddard L.J. stated:

“But in passing-off cases, the true basis of the action is that the passing-off by the defendant of his goods as the goods of the plaintiff injures the right of property in the plaintiff, that right of property being his right to the goodwill of his business. The law assumes, or presumes, that if the goodwill of a man's business has been interfered with by the passing-off of goods, damage results therefrom. He need not wait to show that damage has resulted, he can bring his action as soon as he can prove passing-off; because it is one of the class of cases in which the law presumes that the Plaintiff has suffered damage. It is in fact, I think, in the same category in this respect as an action for libel. We know that for written defamation a plaintiff need prove no actual damage. He proves his defamation. So, with a trader; the law has always been particularly tender to the reputation and goodwill of traders. If a trader is slandered in the way of his business, an action lies without proof of damage.”

38) Consequently in the instant case as PL has established a goodwill and shown deception/misrepresentation then damage can be considered as the automatic sequitur and the three elements of the classic trinity of passing-off have been established. **In the instant case the ground of invalidity under section 5(4)(a) is successful in respect of all the goods for which the mark in suit is registered.**

39) I next turn to the ground of invalidity under Section 3(6) of the Act which states:

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

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

41) PL referred me to *Williams and Williams v Canaries Seaschool SLU (Club Sail Trade Marks)* [2010] RPC 32, where Geoffrey Hobbs QC (sitting as the Appointed Person) held, at ¶51:

"It seems to have been a matter of administrative convenience that the opposed application for registration was filed in the name of Andrew Williams'

partner, Janet Wills, before being assigned to the applicant. No argument to the contrary has been raised on its behalf. On the basis of the evidence on file, the knowledge, intentions and motives of Andrew Williams can properly be attributed to the applicant. They are amply sufficient to invalidate the opposed application in accordance with the principle of prohibition of abuse of law as reflected in the Act. The behaviour of Andrew Williams hence the behaviour of the applicant toward the opponents in connection with the filing of the opposed application for registration was, on the view I take of the evidence, tainted by a desire to deprive them of their entitlement to the goodwill appertaining to the verbal and non-verbal elements of the signs in issue. That appears to me to be unacceptable on any view of what can constitute applying for registration in bad faith”.

42) Mr Ivison contends that in the instant case “a particular kind of bad faith arises where the applicant’s intention can be seen to be to disrupt another party’s legitimate activities.” He also referred me to PANDEMONIUM DRUMMERS O-144-16 although to my mind this is not on all fours with the instant case. He further contended:

“60. What has happened is that Mr Wilson, who had intimate knowledge of Paintcraft’s trade in relation to the Bariatric EvacMAT – including having himself been involved in its development while at Speedings in 2011, and having consulted for Paintcraft to move its manufacture from Speedings to Paintcraft in 2004 – has:

- a. set up in business in direct competition with Paintcraft;
- b. started selling through 3ET niche products of almost precisely the same nature to the Bariatric EvacMAT under the same name thus passing them off as Paintcraft’s;
- c. secretly registered the name which he knew that Paintcraft had been using for the better part of a decade as a trade mark; and
- d. almost as soon as the Mark was registered demanded that Paintcraft cease using the EvacMAT name, accompanied by threats of trade mark infringement proceedings.

61. Lest it be said that it makes any difference that Mr Wilson has operated in this regard through 3ET: it does not. 3ET's actions in relation to the Mark have Mr Wilson's fingerprints all over them and this is clearly a case where, as in SAIL CLUB SEA SCHOOL, the knowledge, intentions and motives of Mr Wilson can be attributed to 3ET. For example:

- e. Mr Wilson is one of two directors of 3ET – the other being Ms Hayward;
- f. Mr Wilson personally signed the letters:
 - i. threatening trade mark infringement proceedings on 11 May 2018 (D17);
and
 - ii. to Paintcraft's trade mark attorney dated 20 May 2018 (B3);
- g. Mr Wilson has been involved in angry disagreements with Paintcraft's directors since this dispute first arose and clearly feels considerable personal enmity towards them (D22); and
- h. Mr Wilson has conducted this litigation himself up to shortly before this hearing.

62. There can be no doubt that viewed objectively 3ET's behaviour in registering the mark for the purpose which immediately followed (attempting to disrupt Paintcraft's legitimate business) fell short of the standards of acceptable commercial behaviour judged by ordinary standards of honest people in a fairly spectacular manner. No reasonable, honest, businessperson would think what Mr Wilson, *via* 3ET, has done to be defensible."

43) For 3ET Mr Keay contended:

"41. Paintcraft does not own any such goodwill. If 3ET is right about this, the bad faith ground must fail too.

42. In any event, is clear from Mr Gary Wilson's evidence that:

- (1) 3ET is making make genuine use of the Trade Mark in relation to its products. Mr Wilson explains that 3ET's EvacMat product has been on sale since January 2017 (Wilson §9 [B]).
- (2) Mr Wilson reasonably believed that 3ET had the right to make the application for the Trade Mark. He reasonably believed that all goodwill and intellectual property rights associated with the Bariatric EvacMat were owned by Speedings rather than Paintcraft and that 3ET has acquired those rights by virtue of the assignment from Speedings at [B9].”

44) I take into account the views expressed in *Hotel Cipriani SRL and others v Cipriani (Grosvenor Street) Limited and others* [2009] RPC 9 (approved by the COA in [2010] RPC 16), where Arnold J. stated that:

“189. In my judgment it follows from the foregoing considerations that it does not constitute bad faith for a party to apply to register a Community trade mark merely because he knows that third parties are using the same mark in relation to identical goods or services, let alone where the third parties are using similar marks and/or are using them in relation to similar goods or services. The applicant may believe that he has a superior right to registration and use of the mark. For example, it is not uncommon for prospective claimants who intend to sue a prospective defendant for passing off first to file an application for registration to strengthen their position. Even if the applicant does not believe that he has a superior right to registration and use of the mark, he may still believe that he is entitled to registration. The applicant may not intend to seek to enforce the trade mark against the third parties and/or may know or believe that the third parties would have a defence to a claim for infringement on one of the bases discussed above. In particular, the applicant may wish to secure exclusivity in the bulk of the Community while knowing that third parties have local rights in certain areas. An applicant who proceeds on the basis explicitly provided for in Article 107 can hardly be said to be abusing the Community trade mark system.”

45) It seems clear that Mr Wilson believes that having been instrumental in designing and developing the product and having had, at least a hand, in naming the product, that he had some kind of rights to the name and design. Having worked for both Speedings Ltd

and PL as a consultant he was paid by those companies for his services and any rights associated to the goods or the mark belonged to those companies and not to him personally. Mr Wilson's behaviour and letters have been far from exemplary but some of the comments in the evidence of PL have also fallen short of calm professionalism. Clearly, 3ET was aware of the use of the mark Bariatric EvacMat on stretchers / mats to evacuate obese individuals by PL over a number of years. Given the details on the label that he personally arranged to have printed by Quazar International Ltd it should have been obvious to him that no goodwill could accrue to Speedings Ltd as they were not named on the label and so no purchaser would have been aware even of the existence of Speedings Ltd. His initial letters to PL clearly indicate that Mr Wilson / 3ET were fully aware that PL had a goodwill in their mark yet he still decided to seek a registration, and having achieved this sought to prevent PL from continuing to use its mark. To my mind, this is the very essence of bad faith.

CONCLUSION

46) The invalidity action under both sections 3(6) and 5(4)(a) has succeeded in full. The mark will be removed from the Register and regarded as never having been registered.

CONCLUSION

47) The invalidity action succeeded fully under both section 3(6) and 5(4)(a).

COSTS

48) Mr Keay sought costs off the scale whether his client won or lost due to the unreasonable behaviour of PL in attacking his client's character, bring an unwarranted bad faith claim and misleading the Tribunal as to the design and development of the product. Similarly, Mr Ivison also sought costs off the scale as 3ET sought to register a trademark which it knew PL to be using, passing itself off as PL and trying to disrupt PL's business. I therefore give PL fourteen days from the date of the decision to provide submissions and set out costs sought. 3ET will have fourteen days to respond to these

submissions starting from the date they are submitted to the Registry. The appeal period will not start until the supplementary decision on costs is issued.

Dated this 22nd day of August 2019

G W Salthouse

For the Registrar

the Comptroller-General