

**DECISION OF THE TRADE MARKS REGISTRY**  
**TRADE MARKS ACT 1994**

**APPLICANTS: THE SPORTS CHANNEL LIMITED**

**APPLICATION N<sup>o</sup>. 2233112**

**CLASS 25**

**AND**

**OPPONENTS : REFLINK LIMITED**

**OPPOSITION N<sup>o</sup>. 90352**



## BACKGROUND

### Trade mark in issue

1. Trade mark application No. 2233112:



was filed on 19<sup>th</sup> May 2000 in the name of The Sports Channel Limited, Worship Mews, 91A Worship Street, London EC2A 2BW.

### Specification of goods and services

Class 25: Clothing, footwear and headgear.

### History

2. The opponents, RefLink Limited, oppose registration on the basis of bad faith under s. 3(6) of the Act, on the grounds that, at the time of filing the application,
  - a. the applicants were not using and had no *bona fide* intention to use the mark in connection with the goods as specified above; and
  - b. were not entitled to use, or solely entitled to use the trade mark, and their behaviour fell short of the acceptable standards of commercial behaviour.
3. The detailed history of this matter is not simply explained, and must await the evidence summary below. However, the dispute surrounds the trade name given to apparatus enabling the radio transmission of the comments made by referees to spectators during their officiation of rugby matches.

## HEARING

4. It was recommended by the Registry that a hearing was necessary for this case; however, both sides were content for the matter to be determined without one. As a result, this decision is based on the evidence filed.

## EVIDENCE

5. There are four Statutory Declarations from the opponents:

Nicolas Bunting, Head of Officiating and Resources for the Rugby Football Union (RFU);

Edward Morrison, elite Referees Officer for the RFU;

Peter Griffiths, a consultant chartered surveyor; and

Peter Paul Downey, Managing Director of Crescent Marketing and RefLink Limited.

I think it is fair to say that the first three Declarations are corroborative of the last.

6. The applicants enclose six Witness Statements:

Mr. Edward Miles Taylor, co-founder and Managing Director of The Sports Channel Limited;

Mr. Alistair Robin Murray Wood, co-founder and Director of The Sports Channel Limited;

Mr. David Bromige, a graphic designer trading under the name 'The Drinks Consultancy';

Mr. Michael Lewis, a Controller of Radio Sports Rights at the BBC;

Mr. Jonathan Dawes, International Vice President of Sales and Marketing at International Marketing Group (IMG); and

Mr. Michael Humphreys, Chairman of the Sports Division of Bell Pottinger Public Relations Ltd.

7. Again, the cardinal evidence is found in one Statement, that of Mr. Taylor's. Equally, the remaining statements are corroborative: that of Mr. Wood's simply confirms that of Mr. Taylor's.

8. My evidence summary will fall into three parts. Separate précis's of events, as described by both Mr. Downey and Mr. Taylor, up to their first contact, and then a summary using Mr. Downey's evidence as a template: the latter is chronological in nature and much of Mr. Taylor's evidence is a response to it. The other Statements and Declarations I will refer to as and when they become relevant.

**Opponents' evidence up to January 2000**

9. As stated above, Mr. Peter Paul Downey is Managing Director of Crescent Marketing and RefLink Limited. The latter are the opponents in this matter. Mr. Downey explains that the concept of relaying the comments of referees during rugby matches to spectators first occurred to him in January 1994, when he noticed an audio link from the referee to a commentator at a rugby match, used as an interpretation aid of former's decisions. He did not follow up on the idea, but saw a version of the system again, in action this time, at provincial rugby level in South Africa in 1995, where it was called FIELDEARS.

10. Mr. Downey states that he did, then, decide to pursue the matter. He did so both at ‘club’ level with an approach to Bristol RFC (1996) and, later, to Worcester RFC (1998), and at international level, during the Rugby World Cup. In all cases, this came to nothing, largely due to the cost of the technology proposed, but also some perceived resistance to the idea from the rugby authorities. The Statutory Declaration of Mr. Peter Griffiths, who was project manager for the construction of a new stand at Worcester RFC in 1998, confirms Mr. Downey’s interest and promotion of the scheme.
11. Following informal discussion with two rugby referees, in late 1999 Mr. Downey approached Mr. Nicholas Bunting of the RFU with the scheme. One of the referees, Mr. Morrison, confirms in a Statutory Declaration that he discussed the concept with Mr. Downey – which he had also seen in use in South Africa. A ‘telephone conference’ with Mr. Bunting gave conditional approval to proceed, following realisation of the technical details.
12. It was at this point, as a consequence of seeking a more economically viable technical alternative, Mr. Downey states that he was directed to Mr. Miles Taylor of The Sports Channel Limited, who had already supplied radio receivers for use at other sporting events (golf and cricket) where spectators could listen to broadcast commentary from BBC Radio 5 Live. Contact with Mr. Wood of the applicants by telephone followed ‘early in 2000’. Mr Downey states that at ‘..no stage during this conversation did Mr. Wood indicate that The Sports Channel Ltd. already provided or had any intention to provide a direct transmission of the referee’s voice.’ Mr. Wood wrote a letter on 3<sup>rd</sup> February 2000 in the following terms:

“Re: TARGET TUNERS

Further to our telephone conversation, I confirm various points.

We would be very interested in working with you with regard to supplying radios at rugby events to listen to the referee.

I enclose a sample of our popular badge radio which we supply at various other sporting events. We are able to manufacture the Badge Radios in either full tuning or fixed frequencies.

...

You may choose any colour for the case. Logo origination is £100.00.”

### **Applicants’ evidence up to January 2000**

13. Mr. Taylor states that The Sports Channel Limited was formed and incorporated in 1992 to provide purpose built radios to spectators at sports events, enabling them to listen to live commentary at rugby, cricket, golf, motor racing and other sporting events. A type of such product was supplied to the RFU in February 1996 (see Exhibit MT1A, and the Witness Statement of Mr. Humphreys).
14. He also states that the notion of using such equipment to broadcast the referees’ comments was already present with him in late 1998, when he asked Mr. Humphreys who he should approach about the project with respect to the forthcoming World Cup. The Witness

Statement of Mr. Humphreys corroborates this, and also states ‘I clearly recall that the project was called Ref Link. ... I can confirm that Mr. Taylor and Mr. Wood had created the Ref Link name and a prototype product as far back as the autumn of 1998’.

15. Following Mr. Humphreys’ advice, he wrote to Mr. Paul Thorburn, the events’ Director, on the 6<sup>th</sup> October 1998. The text of this letter is exhibited (Exhibit MT 1). It ‘headlines’ with ‘Ref Link’ and clearly states: “I have raised the idea of a fixed frequency radio that picks up both the Ref’s comments and the 5 Live match commentary...’. No direct response to the approach is recorded.
16. There is also a copy of a fax (Exhibit MT 2) to Mr. Jonathan Dawes of IMG, who acted as the licensing agent for the 1999 Rugby World Cup. This fax is dated 26/2/99, and states, *inter alia*:

“Rugby World Cup. I am still most disappointed that they turned down our innovative idea - Ref Link - no chance of a change of heart, is there ? Surely, keeping the fans informed of the ref’s decision should be considered a benefit to the spectators. Did they give a more specific reason for rejecting the idea ?”

Mr. Taylor states that a number of discussions with Mr. Dawes surrounded this fax, and that the term REFLINK was used to describe the proposed service. This is confirmed by Mr. Dawes in his Witness Statement.

17. The term – and the idea behind it – is used again in a letter Mr. Taylor states he sent to Mr. Michael Lewis, a Controller of Radio Sports Rights at the BBC, regarding the concept. Exhibit MT 3 contains a copy of Mr. Taylor’s letter (dated 5<sup>th</sup> November 1998):

“Rugby World Cup / Ref Link

As I mentioned to you, I have been discussing the idea of a target tuner to sell to spectators, which carries 2 fixed stations - Ref Link for relaying the Ref, and 5 Live for the match commentary - with IMG, the licensors, and Rugby World Cup Ltd.

Although IMG would like to proceed, Rugby World Cup apparently have some reservations. I’m not sure exactly what these are - possibly legal, possibly to do with a similar system in South Africa during the 1995 RWC.

I was wondering whether it might be an idea for the BBC to contact Paul Thorburn at RWC, to see if they might reconsider ?”

and the response, dated 20<sup>th</sup> November 1998:

“Thank you for your letter. I am not surprised that Rugby World Cup Ltd turned down the idea of allowing fans to hear the referee. Basically the feed is there to help the Commentators understand what decisions have been made and why and that’s all. We have to be very careful and so the idea of the whole crowd being able to access the feed would be unacceptable.

That being the case I don't think it is worthwhile my approaching Rugby World Cup Ltd as I'm sure they will not change their minds."

18. There is a Witness Statement by Mr. Michael Lewis that confirms the receipt and response exhibited.
19. Mr. Taylor states, that in anticipation of being granted the right to provide 'Ref Link' radios for use in the 1999 World Cup, he contacted the designer David Bromige in November 1998 to 'work on a logo which involved the "Ref Link" name'. 'Rough sketches' were apparently provided by Mr. Bromige in December. One copy – which Mr. Taylor states incorporated a 'whistle' device, is included in Exhibit MT4. It is hand dated 'Nov '98'. Exhibit MT 5 contains an invoice from an organisation called 'The Drinks Consultancy'. Mr. Taylor states that it refers to the design work; it mentions 'Ref Link'. A later document (Exhibit MT 6) from the same organisation, dated 22<sup>nd</sup> November 2001, is signed by Mr. Bromige, contains a copy of the mark in suit, and assigns copyright to Mr. Taylor.
20. The Witness Statement of Mr. Bromige states that he is a graphic designer trading under the name 'The Drinks Consultancy' and though he specialises in design work for the drinks industry, he has clients outside it. He has known Mr. Taylor for ten years and has been providing brand consultancy and design services since 1995. He states:

"In 20 November 1998 Mr Taylor informed me that the Applicant company was in negotiations for the provision of radios for the 1999 Rugby World Cup. Mr Taylor explained that the radios were to have two fixed frequencies, one to receive the BBC Radio 5 Live commentary and the other to receive a relay of the referee's comments and instructions to the players.

At this time Mr Taylor explained that the product and service was to be called "Ref Link". He asked me to work on a logo which incorporated those words. Initially I provided Mr Taylor with rough sketches of a logo incorporating the words "Ref Link" around a whistle device. Copies of these preliminary sketches are exhibited to this Statement and marked "DB 1".

I charged the Applicant company £175 for this initial service and a copy of the invoice submitted to the Applicant company on or around 31 December 1998 is exhibited to this Statement and marked "DB 2".

Mr Taylor informed me that the 1999 Rugby World Cup negotiations had not been successful and I was not contacted again in relation to the Ref Link brand until April 2000 when Mr Taylor instructed me to take the device that I created in 1998 and create a combined device that involved the Allied Dunbar logo and the Ref Link logo. At this point the whistle device was removed and replaced with an exclamation mark.

In November 2001 Mr Taylor asked me to assign copyright in the Rep. Link logo to the Applicant and since I had always carried this work on the understanding that all rights in the works were for the use of the Applicant alone, I was happy to do so. A copy of the document assigning copyright to the Applicant is exhibited to this Statement and marked "DB Y."

21. Mr. Taylor states that The Sports Channel Limited was contacted by Mr. Downey in early 2000.

### **Evidence post January 2000**

22. Continuing, now, with Mr. Downey's Declaration at paragraph 13, he states that the unit cost quoted in Mr. Wood's letter of 3<sup>rd</sup> February was too high, stimulating a further telephone conversation with the applicants where the idea of joint venture was mooted, in which they 'would be responsible solely for supply of radio receivers'. A letter from the applicants dated 18<sup>th</sup> February 2000 is exhibited in Exhibit PPD3. They state they are 'very happy' to 'work' with Mr. Downey and 'share ideas confidentially with the idea of supplying radio's to link with the Referee at Rugby venues'. There is no mention of detail in letter.
23. A meeting took place between the parties on 24<sup>th</sup> February 2000. Mr. Downey states:

"Mr Taylor and Mr Wood indicated that they had previously approached the RFU with respect to introducing their own Radio 5 broadcast commentary reception system, without success, and expressed surprise that spectators would be interested in listening to just the Referee's comments rather than a full commentary. I advised that rugby fans would be interested in the Service because they could follow the run of play visually, but needed explanation as to the Referee's interpretation of the rules. I went on to advise that I had reached a provisional agreement with Mr Bunting, on behalf of the RFU, that profits from the Service would be shared with one third going to the RFU, one third to the club at whose ground the transmission took place and one third to Crescent, or the proposed joint venture. Mr Taylor expressed some dissatisfaction with this arrangement and I, therefore, proposed that either he or Mr Wood attended the next meeting with Mr Bunting, which was to be arranged shortly after. At no point during this meeting did either Mr Taylor or Mr Wood indicate that they already provided or had any intention to provide a direct transmission of the referee's voice using their radio receivers. There is now produced and shown to me an extract from my diary for 24 February 2000 showing the appointment with The Sports Channel Ltd marked Exhibit PPD4."
24. Mr. Taylor does not accept this description of the meeting. He states that he told Mr. Downey the applicants had already invested time and money in the development of 'such a product', which had the brand 'Ref Link' and had been proposed for use in the 1999 rugby World Cup. At this time, Mr. Taylor appeared to see the relationship between the parties as one of *quid pro quo*: the applicants would provide the technical experience and equipment; the opponents the rugby 'contacts'. The possibility of the applicants becoming party to a 'corporate vehicle' was mentioned, but Mr. Taylor claims that no details were discussed (see Taylor, paragraph 12).
25. Mr. Downey states that a meeting took place on 8<sup>th</sup> March 2000 between himself and Mr. Bunting of the RFU. At this meeting, branding was apparently discussed, with several alternatives mentioned, including REFLINK. He adds this was considered the most appropriate choice. Exhibit PPD5 contains a letter dated 10<sup>th</sup> March 2000, summarising the meeting, but does not mention the mark. It is entitled 'REFEREE RADIO RECEIVERS'. Mr. Downey also states that the apportionment of profits from the scheme was discussed.

26. I think it is fair to say that it was Mr. Downey who drove the scheme forward from this time onwards, with the applicants in the background. Mr. Taylor believes they were placed in this position by Mr. Downey's actions. He states in paragraph 17 of his Statement:

“Throughout our negotiations with Mr Downey about the Ref Link project I had always remained cautious about the involvement of The Sports Channel, Mr Wood and I. The Sports Channel had already invested time and money in developing the Ref Link product and brand and my concern was that Mr Downey, through his business Crescent Marketing Limited (Crescent Marketing), were using our Ref Link product and brand without any agreement being in place regulating such use. By the spring of 2000 I was also becoming concerned that Mr Downey was ‘sidelining’ The Sports Channel. He had spoken of a joint venture between him, his son, the RFU and The Sports Channel but it soon became apparent that he regarded the project as ‘his’ and that the involvement of The Sports Channel was an unwanted necessity. Increasingly, Mr Downey was making decisions about the Ref Link project without reference to The Sports Channel and not involving us in activities.”

27. Certainly, all the following events, recorded from Mr. Downey's Declaration, seemed to have been set in motion by him, under the auspices of Crescent Marketing:

April 2000	<p>Mr. Downey contacts a Ross Young of Harlequins RFC and London Irish RFC about trials of the system during fixtures at their grounds (Downey, paragraph 16).</p> <p>Order of a mobile AM transmitter and a radio microphone from Mr. Rob Spiers of Radica Broadcast Systems Limited (Downey, paragraph 17; Exhibit PPD7).</p> <p>Application to the Radio Authority for a Transmission Licence (Downey, paragraph 17; Exhibit PPD7).</p> <p>Updating Mr. Bunting on progress (paragraph 19; Exhibit PDD8).</p> <p>Meeting at London Irish to finalise details of trial (paragraph 20; the trial was announced in Home match programme on 24<sup>th</sup> April 2000; Exhibit PPD9).</p>
17 <sup>th</sup> and 20 <sup>th</sup> May 2000	<p>The opponents' promotions staff place mark on receivers adhesive labels on day of trial at the London Irish ground. The mark used is:</p> <div data-bbox="804 1675 1018 1890" data-label="Image"> <p>The logo features the text 'Ref!' in a large, bold, sans-serif font above the word 'Link' in a similar font. Below this, there is a smaller rectangular box containing the Zurich Premiership logo, which includes a stylized 'Z' in a circle, the word 'ZURICH' in a bold font, and 'PREMIERSHIP' in a smaller font below it, with a stylized oval shape to the right.</p> </div> <p>The trial is a success (Downey, paragraph 23, 24, Exhibit PPD11).</p>



22 <sup>nd</sup> May 2000	Mr. Downey registers the company REF LINK LIMITED (see Exhibit PPD10).
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28. Exhibit PPD6 contains a letter dated 4<sup>th</sup> April 2000 to Ross Young of Harlequins and a fax dated 5<sup>th</sup> April 2000 from the London Irish. Neither contains any mention of the mark. However, Exhibit PPD7, which encloses a letter to Mr. Rob Spiers of Radica, dated 12<sup>th</sup> April 2000, cites the REF!LINK sign. Mr. Downey states that it was at this time that use of the mark commenced. This is the only mention of the mark in this exhibit which contains extensive correspondence relating to the project. I also note that the application to the Radio Authority, signed by Mr. Downey himself, under the section which states:

‘WHAT CALL SIGN WILL BE USED? You must clear all necessary right and trademarking issues’

is entered ‘Radio Referees’.

29. Further, a fax to the RFU in Exhibit PPD8 (dated 10<sup>th</sup> April 2000) mentions only ‘Referees Radio Receiver’, and one from Mr. Bunting dated 12<sup>th</sup> April 2000 makes no mention of mark, only of ‘REFEREES RADIO RECEIVER’. A fax from Mr. Downey dated 3<sup>rd</sup> May 2000 uses the mark twice, in the following form: “Ref!Link”<sup>TM</sup>, clearly stressing the significance of the sign.
30. Despite Mr. Downey’s lead in promoting the scheme, Mr. Taylor states that it was he who introduced Mr. Downey to Mr. Spiers at Radica (Taylor, paragraph 15). Further, though Mr. Downey states that he asked Mr. Taylor to engage a graphic designer to design a ‘logo/stylised format’ of mark, for which he approved the proofs, Mr. Taylor denies this. He points out that he had already engaged Mr. Bromige some 18 months earlier. He states that, in April 2000, *he* told Mr. Downey that he would instruct Mr. Bromige to create a combined device that involved the Allied Dunbar and Ref Link logos. He adds that it was at this time the ‘whistle’ device was replaced with the exclamation mark (c.f. paragraph 6 of the Bromige Witness Statement), and:

“The decision as to how the device was to be changed and what device would be settled on was The Sports Channel’s alone. However, it is possible that I sent Mr Downey copies of the designs as a courtesy for his own information but they were never sent to him for his approval as he claims at paragraph 18 of his Statutory Declaration. - This is another misleading and inaccurate statement by Mr Downey.”

31. Mr. Taylor states that he was invited to the first meeting with Mr. Bunting (see paragraph 25 above), but could not attend. Apart from this, he adds, he or Mr. Wood were never asked to attend a formal meeting with Mr. Bunting ‘despite Mr. Downey’s claim that we were to be involved in a joint venture with him and the RFU’. He further notes his lack of inclusion in the following:

- the telephone calls and correspondence with Mr Ross Young of Harlequins RFC;
- the licences from the Radio Authority that Mr. Downey took out in his and Crescent Marketing's names;
- the meeting on 25 April 2000 between Mr. Downey, the RFU and others concerning the Ref Link project;
- articles in national newspapers and advertisements in the London Irish programme, originating from Mr. Downey, which talk of the Ref Link project as involving Crescent Marketing and the RFU with no mention being made of The Sports Channel;
- the questionnaires issued on 17<sup>th</sup> and 20<sup>th</sup> May, which include prominent Crescent Marketing branding in association with the Ref Link sign, but no reference to the applicants; and
- the letter to Peter Wheeler of Leicester Tigers, dated 13<sup>th</sup> July 2000.

32. Mr. Downey, on the other hand, states that 'communications' following the first trial (see Exhibit PPD12) 'continued to be issued in the name of Crescent Marketing at this time whilst the practicalities for the running of Reflink Ltd, such as the production of headed paper, were attended.' Mr. Taylor is cynical about this justification, pointing out, *inter alia*, that the headed paper eventually used (Exhibit PPD 16) is not complex in structure. He states:

"even if it is accepted that it took months to develop the Reflink Limited notepaper, it does not follow that the only alternative was the use of Crescent Marketing notepaper that makes no reference to the joint venture company or the parties to it."

33. Despite the misgiving expressed by Mr. Taylor, the parties did meet again on 15<sup>th</sup> June 2000. At this time the mark was very clearly the indicium of the project (see Exhibit PPD12). The minutes of the meeting are enclosed in Exhibit PPD12. They state:

"The arrangement that PPD had made was discussed regarding the set up. At the original meeting with the RFU, PPD had proposed that the profits should be owned where the clubs were involved at 1/3 for the RFU (referees) 1/3 to the clubs and 1/3 for us.

If/when we got into Twickenham, the agreement had been that the RFU would take the clubs share.

PPD reported that the RFU had agreed that that Reflink Ltd should become a joint venture with the company being a shared operation.

Therefore at the appropriate time we all would need to form a company to own our share. PPD and JD were for their 50% to held by their company Crescent or half each personally. Miles and Alistair said that they would come back in due course when they had decided whether their half should be in Sport Channel or held individually."

34. In late July, Mr Downey states that during a telephone conversation with Mr. Taylor, the latter expressed surprise that company had been incorporated some time before ‘despite our conversation of 18 May 2000 and RefLink having been discussed during our meeting of 15<sup>th</sup> June’. Apparently Mr. Taylor informed Mr. Downey that mark had been applied for, and the domain name reflink.co.uk registered. But he ‘..agreed that the domain name should be transferred to RefLink Ltd.’ Mr. Taylor, in response (Taylor, paragraph 26), states that he was alarmed that matters had progressed so far without the involvement of the applicants. As to transfer of the application to Reflink Limited, he states that this would only be appropriate once The Sports Channel (or Mr. Wood and himself personally) became involved in the running of the company. He adds:

“I was certainly not prepared to transfer the Application to a third party company over which I and Mr Wood had no control, which is what Mr Downey asked me to do.

27. Company details relating to Reflink Limited (obtained from Companies House in September 2001) (and exhibited to this Witness Statement “MT 8”) show that as early as May 2000, Mr Downey was appointed as secretary to Reflink Limited and on 1 August 2000 he and his son became directors. These appointments were made without reference to Mr Wood and I and these appointments show very clearly that at all times it was intended for Reflink Limited to be another company of Mr Downey and his son in which no other party was intended to have any interest, certainly in the day to day running of it.”

35. Later Downey ‘discovered that the application for the registration of the mark had been filed ... as long ago as 19 May..’ but states that ‘relations between the joint venture parties at that time remained amicable..’.
36. Another trial, at Leicester RFC, took place on 2<sup>nd</sup> September 2000. The mark was used on clothing for first time. Mr. Downey states that Mr. Taylor attended the match and saw use of the mark, which was promoted with leaflets and posters.
37. In November there was an exchange of e-mails between the parties (Exhibit PDD14). The first, dated 7<sup>th</sup> November 2000, states:

“I know you have spoken to Alistair today. May I suggest that, due to the pressure of time, that we ask Farrers to draw up the relevant papers to introduce myself and Alistair as shareholders ?

On the advice of Ernst & Young, we have decided to go in as individuals, not The Sports Channel. This probably mirrors your advice, which is that we, as individuals, will benefit from Capital Gains Tax Taper relief.

Which leads me to suggest that in our J/V Co. with the RFU, all four of us should be shareholders in respect of our 50% (ie 12.5% each).

For the avoidance of doubt, Alistair and I should be added as signatories to the RefLink bank account - would you be kind enough to get the bank to forward a mandate and signature forms.”

38. Mr. Downey responded on 8<sup>th</sup> November 2000:

“Second regarding the structure:

We have proceeded on the basis we agreed in the summer, and later this week we will have the joint venture of you Alistair and Jonathan and me set up. We will then issue the shares through the lawyers who have set up the original Ref Link Ltd. Into this company will go the the Ref ! Link domain names, the trademark and the Ref ! link company

We cannot at this stage do anything different if we are not cause concern at the RFU.”

Another e-mail was sent the same day, and contained the following:

“2. Structure

Looks good and we’re happy for your lawyers to do the issue of shares, Director’s Forms etc. We have no problem in putting the domain names & TMark into Refiink Ltd.

Please note that Farrers did pick up one thing from the Articles of Association of Ref Link Ltd, which I think needs changing in the interests of both sides. The Chairman has a casting vote. I think you would agree that this is dangerous - say we agreed that the Chairmanship of each mtg rotated. At any shareholders meeting, therefore, one side could propose a resolution knowing that it would cause stalemate; get an additional vote and push through the resolution.

I think your lawyers will be able to alter the Articles with a special resolution

Also, please don’t forget the Bank mandates. If PD, JD are ‘A’ shareholders and MT, AW are B’shareholders, I suggest that an ‘A’ and a ‘B’ should sign all cheques above a certain limit, say £ 5000? Any 2 signatures below that limit.”

39. Mr. Downey says that from August 2000 onward the opponents had become increasingly concerned that relations with The Sports Channel Ltd, and Mr Taylor in particular, were becoming strained. He says that a trial at Leicester RFC could have damaged the reputation of the Service beyond repair because, apparently, one of two types of fixed frequency radio receiver supplied by The Sports Channel Ltd had been supplied tuned to the wrong frequency. Further, he states:

“Mr Taylor was also still unhappy with the apportionment agreement which I had negotiated with the RFU as he believed that the joint venture should receive a larger share of the profit than arranged and that we should renegotiate the agreement. In addition, Mr Taylor seemed unable to understand the proposed company structure, through which Crescent Marketing Ltd & The Sports Channel Ltd would form one company owned equally by the two parties, which would in turn become part of the further joint venture with the RFU.”

He adds that Mr. Taylor continued to delay effecting assignment of both the domain name reflink.co.uk, and the trade mark application for REF!LINK, despite their assertion that ‘..both registrations had been applied for only because The Sports Channel Ltd believed that there

would be a considerable delay before the company Reflink Ltd was incorporated' even though they had '..agreed to transfer both the domain name and the trade mark application.' He states that failure to carry out the assignment made him '..increasingly suspicious that The Sports Channel Ltd were not acting in accordance with our agreement and further suggested to me that they were not genuinely committed to the joint venture.' He states that he registered his own domain name - reflink.net – on 2<sup>nd</sup> November 2002.

40. For his part, Mr. Taylor states that 'negotiations' regarding the joint venture continued and it '..was agreed that if the joint venture vehicle ever came into existence, the Application would be transferred to it.' He adds:

“as with all negotiations, everything was subject to agreement and it would have been foolish for me to have transferred the Application before I had been given any interest in Reflink Limited and without getting anything in return. However, this is what Mr Downey continually asked me to do. Naturally, I refused to do so.”

Mr. Taylor adds that relations broke down between the parties during the winter of 2000/2001, and he and Mr. Wood decided they did not wish to be involved in any joint venture. However, they wished to keep supplying their product to (among others) the opponents' company.

41. Mr. Taylor describes a meeting that took place between the parties in February 2001, where the applicants explained their position, confirmed in an e-mail dated 2<sup>nd</sup> February 2001 (Exhibit MT10).
42. Mr Downey does not mention this meeting, but states that, on 2 February 2001, Miles Taylor confirmed that The Sports Channel no longer wished to be part of RefLink Ltd, but merely to act as a supplier to the company. He adds that, as a consequence, ownership of the application for registration of the mark REF!LINK became a contentious issue. A letter of 21<sup>st</sup> February 2001 made a written request to The Sports Channel Ltd asking that the transfer be completed (Exhibit PPD 16).
43. This was not acceded to, but negotiations did continue: at this stage the applicants appeared willing to assign the mark provided certain outstanding monies, they believed the opponents owed them, were paid. There was disagreement about the sums involved: the applicants allege they were owed over £28, 000 (see PPD 17).
44. Mr Downey states that:

“Documents required for the transfer to be effected were prepared on 29 June 2001 and forwarded to The Sports Channel, upon return of which the outstanding monies in respect of radio receivers supplied were to be forwarded, but by 6 July 2001 the documents had not been received. In response to a reminder e-mail of that date Mr Taylor indicated that no assignment could take the place until all outstanding monies were paid, despite some amounts being under dispute.”

Mr. Taylor explains his willingness to part with the mark thus:

“Whilst it was our intention at that time to continue trading with third parties using the Ref Link name and logo, our cash flow had been significantly damaged by Reflink Limited’s refusal to pay its invoices. In an effort to compel Reflink Limited to pay this sum, we resorted to offering to assign certain rights in the Ref! Link logo to Reflink Limited in the letter dated 6 August 2001 exhibited as PPD 17 of Mr Downey’s Statutory Declaration. Reflink Limited refused to accept this contractual offer.

In the months that followed, despite the fact that Mr Downey never paid the outstanding amounts owed (indeed, they remain outstanding now) the financial outlook of The Sports Channel improved and we were relieved that Reflink Limited refused to accept our offer to assign the rights in the logo to them. We went back to our original plan which was to find other distributors of the Ref Link product, both in the UK and abroad. In recent months we have been actively negotiating further deals for the supply of Ref Link radios (bearing the Ref!Link Logo).

It remains The Sports Channels intention to introduce a range of clothing under the Ref Link name and involving the Ref! Link logo.”

45. Finally, Mr. Downey states that:

“33. On 10 August 2001 I instructed K R Bryer & Co to proceed with raising formal opposition to The Sports Channel Ltd application. In so doing the file wrapper for the application was requested. When the information was received it was discovered that on 19 February 2001 The Sports Channel Ltd had filed evidence of use to support its application. On viewing this evidence I discovered that it consisted entirely of documentation showing use of the mark REF! LINK not by The Sports Channel Ltd, but by Reflink Ltd at the trial matches detailed above.”

46. In response, Mr. Taylor states that the evidence submitted detailed products all supplied by The Sports Channel Limited.

## **LAW**

47. S. 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.”

## **APPLICATION OF THE LAW**

48. The opposition is based on two contentions, both arising under s. 3(6), and set out in the Statement of Case:

“a) that, at the time of filing the application, the applicant was not using and had no *bona fide* intention of using the trade mark in connection with the specification of goods applied for and, therefore, the applicant did not at the time of making the application have the required locus to make the statement required by Section 32(3) of the Trade Marks Act 1994;

b) that the applicant was not, at the time of filing, entitled to use the trade mark or was not solely entitled to use the trade mark and in making the application the applicant’s behaviour fell short of the standards of acceptable commercial behaviour”.

49. There is now a significant body of case law on what constitutes bad faith for the purposes of s. 3(6). Generally, bad faith amounts to ‘commercial fraud’ and there are a number of examples. It has been found to include, *inter alia*, dishonesty (BL O/183/01), recklessness (BL O/393/00) and lack of intention to use the mark at issue (BL O/043/02).

50. General principles are set out in *Gromax Plasticulture Ltd v Don and Low Nonwovens Ltd* [1999] RPC 367, on page 379, where the Judge stated:

“I shall not attempt to define bad faith in this context. Plainly it includes dishonesty and, as I would hold, includes 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. Parliament has wisely not attempted to explain in detail what is or is not bad faith in this context; how far a dealing must so fall-short in order to amount to bad faith is a matter best left to be adjudged not by some paraphrase by the courts (which leads to the danger of the courts then construing not the Act but the paraphrase) but by reference to the words of the Act and upon a regard to all material surrounding circumstances.”

51. I note also the following from a decision of Mr. Simon Thorley Q.C., appearing as the Appointed Person, in *R. v. Royal Enfield Trade Marks* [2002] R.P.C. 24, at paragraph 31, about the standard of proof required:

“31 An allegation that a trade mark has been applied for in bad faith is a serious allegation. It is an allegation of a form of commercial fraud. A plea of fraud should not lightly be made (see Lord Denning M.R. in *Associated Leisure v. Associated Newspapers* [1970] 2 Q.B. 450 at 456) and if made should be distinctly alleged and distinctly proved. It is not permissible to leave fraud to be inferred from the facts (see *Davy v. Garrett* (1877-78) L.R. 7 Ch.D. 473 at 489). In my judgment precisely the same considerations apply to an allegation of lack of good faith made under section 3(6). It should not be made unless it can be fully and properly pleaded and should not be upheld unless it is distinctly proved and this will rarely be possible by a process of inference.”

## DECISION

52. This matter rest solely on the contention of bad faith by the opponents in respect of the application by The Sports Channel Limited. There is no issue I must consider that relates to that of common law rights under the mark, as no such grounds have been pleaded. Further, I should also point out that I am not concerned here with who first discovered or even sought to exploit the ‘concept’ the mark brands. I am concerned only with the mark itself, and whether the application to register it is made in ‘bad faith’.

53. There are significant differences between the parties depiction of events surrounding the application. Mr. Downey describes the development of a concept that was his in the UK, under a name he promoted, with the applicants being involved only as potential partners on the basis of their technical expertise. The applicants, on the other hand, claim that not only had they actively considered the concept of relaying the comments of referees to spectators, they had sought out a commercial opportunity to exploit it and had come up with the mark in dispute well before any contact with Mr. Downey.
54. Much of what is said is in clear contradiction, and is based only on the sworn statements of Mr. Downey and Mr. Taylor alone. This leave me in a difficult position. In view of this, I believe the only way I can proceed is to base my findings on those statements of the parties that are confirmed by material or corroborative evidence, and on the inferences I can draw myself from the latter.
55. In doing so, it is clear, first, that the applicants were not only aware of the concept of broadcasting the referee's comments to spectators, but had, by 1998 and 1999, sought to exploit it commercially - and called it by a name virtually identical to that in suit. And this was all well before they came into contact with Mr. Downey. This is the unassailable conclusion one must draw from the early evidence of Mr. Taylor, as corroborated by Messrs. Wood, Bromige, Lewis, Dawes and Humphreys. And it must cast into some doubt Mr. Downey's statement that the concept was new to the applicants when he first met with them on 24<sup>th</sup> February 2000. Further, I cannot infer, in the light of this, that Mr. Downey came up with the mark during his first meeting with Mr. Bunting of the RFU on 8<sup>th</sup> March 2000.
56. Against this background, I will consider the two (or more) elements of the opponents' assertion that the applicants were guilty of bad faith in applying for the mark.

#### **Lack of intention to use**

57. Mr. Taylor provides explanations of his purpose in applying for the mark (Taylor, paragraph 18):

“It became clear to me that Mr Downey was attempting to assert that Crescent Marketing were the rightful owners of the rights in the Ref Link brand in place of The Sports Channel. At the time I thought that unless I acted quickly, Mr Downey and Crescent Marketing would eventually be able to prevent The Sports Channel from ever making use of this brand that The Sports Channel had conceived and developed. After giving thought to the manner that The Sports Channel might best protect its position and investment, I decided that the best option would be for The Sports Channel to file a UK trade mark application in respect of the Ref Link logo.”

He adds (paragraph 20):

“Right back at the time that the Ref Link brand was conceived in 1998, I had always felt that as a brand, the Ref Link name would work equally well in respect of clothing that would appeal to the same sport-viewing public. The Sports Channel has never had the funds to launch its own range of clothing simultaneously with the launch of a radio product, but it had always been our intention that once the Ref Link brand had become recognisable



and The Sports Channel had sufficient funds, we would launch a range of clothing. At the time that the trade mark application was filed I was confident (and remain so) that the Ref Link product will be a success so it was never a question of if the brand was a success, it was a question of when the brand was a success.”

58. As set out by Jacob J in *Laboratories Goemar SA’s Trade Marks; Applications for Revocation by la Mer Technology Inc.* [2002] ETMR 34, at paragraph 19, point (e), there is good reason why a false declaration on the Form TM3 is liable to be considered bad faith under ss. 32(3) and 3(6) of the Trade Marks Act 1994. Where an applicant signs the Form, declaring that he has used or intends to use his mark, and he has not, and has no such intention – because the rationale behind the application lay elsewhere – it undermines the veracity of his claim. Most people will say that if you put something in writing, and do not mean it, you will open yourself up to criticism by your peers.
59. Turning to the present case, I have not had the benefit of argument from the parties. This rather leave me in the position of determining myself which are the opponents’ best submissions on the evidence submitted. In doing so, it may be suggested, that Mr. Taylor, when he applied for the mark, was solely concerned with protecting his legal position, and that he had thus no proper intention to use the sign as of 19<sup>th</sup> May 2000. In my view, were this his only aim, it could amount to bad faith under the Act.
60. However, I do not believe on the evidence I have before me that this has been shown to be the case. Mr. Taylor, through the vehicle of his company, The Sports Channel Limited, had already sought to develop the concept and was labelling it REFLINK by 1998, over a year before his contact with Mr. Downey. If he applied for the mark to protect his interest in it, he did so, so he could exploit it commercially as a mark of trade. This is stated at paragraph 18 of his Statement:
- “At the time I thought that unless I acted quickly, Mr Downey and Crescent Marketing would eventually be able to prevent The Sports Channel from ever making use of this brand that The Sports Channel had conceived and developed.”
61. I have seen nothing to suggest that Mr. Taylor did not have the overriding intention to commercially utilise the mark when the Form TM3 was signed on his behalf. That he was seeking to protect his ability to do so at the same time does not, it seems to me, indicate a lack of intention to use the mark: it suggests rather the opposite.
62. It might be argued that, as a matter of principle, I need only consider that evidence relevant to the application itself – that is, up to 19<sup>th</sup> May 2000 - as the law is concerned with applications *made* in good faith. I think there is something to be said for this – there is no requirement for applicants to submit to an open-ended assessment of their commercial morality (*Demon Ale Trade Mark* [2000] R.P.C. 345 Appointed Person). However, the actions of the applicants subsequent to the application may provide evidence of their intention in applying in the first place. As Mr. Downey points out, the applicants were prepared to assign the mark by the summer of 2001, provided certain outstanding financial issues could be resolved. If they had intended to use the mark, why were they willing to relinquish it for a cash sum later on?
63. That Mr. Taylor later sought to sell the mark this does not, in my view, taint his intention in making the application some months previously. Businessmen make business decisions for

many reasons as circumstances change and his preparedness to assign the mark by does not, I believe, demonstrate behaviour that would be considered as unacceptable by other businessmen. And Mr. Taylor has provided an explanation for his willingness to sell at that time (see paragraph 44 above).

64. In summary, it has not been shown that the applicants had no intention to use the mark when they made the application, and this aspect of the opponents' contention of bad faith must fail.

**The applicant was not, at the time of filing, entitled to use the trade mark or was not solely entitled to use the trade mark**

65. I think it is a clear inference from my considerations so far that I believe that Mr. Taylor was entitled to apply for the mark. As I have said, he had already sought to develop the concept and was labelling it REFLINK by 1998, well before his contact with Mr. Downey. However, in view of the discussions that took place between the parties in early 2000, was The Sports Channel entitled to apply for the mark alone, without allowing Mr. Downey an interest, or doing so via the vehicle of RefLink Limited?
66. There is some disagreement between the parties as to the extent to which an agreement had been reached by May 2000. However, it is clear, at that time, there was certainly no formal arrangement between them. - Mr. Taylor states that only the possibility of the applicants becoming party to a 'corporate vehicle' was mentioned, but no details were discussed. These only appear to have crystallised during the meeting on the 15<sup>th</sup> June (see Exhibit PPD 12) and, more formally, in the correspondence early in November (Exhibit PPD 14).
67. In my view, any arrangement between the parties as of May 2000 was very much at an exploratory stage. There was certainly no contract between them, implied or otherwise. And I do not consider, at this stage, there was any obligation of good faith on behalf of Mr. Taylor in relation to the mark. That he sought to protect his interests in it must be considered against the background of his previous development of the mark and the concept behind it. And it must also be set against Mr. Taylor explanation as set out in his statement: from the spring of 2000 onwards, Mr. Downey was driving the project forward under the auspices of Crescent Marketing, and was, by 12<sup>th</sup> April 2000, using the name Mr. Taylor had created with, it seems, little consultation. In this context, I do not consider that Mr. Taylor was acting in bad faith by applying alone for the mark, without reference to Mr. Downey.
68. I note that Mr. Taylor also appeared to agree to the assignment of the mark to Ref Link Limited (see Exhibit PDD14, and the e-mail of 8<sup>th</sup> November 2000 from Mr. Taylor) on a number of occasions. I do not see that this amounts to an unconditional commitment on behalf of Mr. Taylor, as it was made very much in the context of a joint venture via Ref Link Limited. Mr Taylor explains that:

“..everything was subject to agreement and it would have been foolish for me to have transferred the Application before I had been given any interest in Reflink Limited and without getting anything in return. However, this is what Mr Downey continually asked me to do. Naturally, I refused to do so.”

I do not see that that Mr. Taylor was acting in a manner that most reasonable and experienced business would regard as falling short of the standards of acceptable commercial behaviour. And I suspect most would regard his action as very sensible.

## **CONCLUSION**

69. All in all, I am not prepared to find it is proved 'distinctly proved', on the evidence that I have seen, that the applicants have committed a commercial fraud on the opponents, that is, the mark was applied for in bad faith. This ground must fail, and so does the opposition.

## **COSTS**

70. The applicants have successfully resisted the opposition and are entitled to an award of costs. I order the opponents to pay them £1000. This is to 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.

**Dated this 21 Day of February 2003.**

**Dr W J Trott  
Principal Hearing Officer  
For the Registrar.**