

O-195-08

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO 2403678  
BY ARBRE GROUP LLC  
TO REGISTER THE TRADE MARK:**



**IN CLASS 25**

**AND**

**THE OPPOSITION THERETO  
UNDER NO 94795  
BY WORN BY (ORIGINAL ICON CLOTHING) LLP**

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### **Introduction**

1) On 28 September 2005 Arbre Group LLC, which I will refer to as Arbre, applied to register the above trade mark. (As a result of an error the application was originally made in the name of Catherine Coe; this was corrected as a result of a facsimile transmission dated 12 October 2005.) The trade mark was published for opposition purposes on 25 August 2006 with the following specification:

*articles of clothing for men and women including T-shirts, polo shirts, tank tops, vests, camisoles, jumpers, hoodies, tracksuit tops, shirts, underwear, socks, wristbands, headgear, headbands, baseball caps, woolly hats.*

The above goods are in class 25 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended.

2) On 24 November 2006 Worn By (Original Icon Clothing) LLP, which I will refer to as WB, filed a notice of opposition to the registration of the trade mark. WB claims that registration of the trade mark would be contrary to section 3(6) of the Trade Marks Act 1994 (the Act). It claims:

“An individual behind Arbre Group LLC was originally a shareholder in a company that sold clothing under the opponent’s WORN BY trade mark (the earlier right referred to on page 3). The individual left this company but subsequently adopted the opposed trade mark for clothing and headgear. His use of the opposed trade mark, under the company name Arbre Group LLC, falls short of the standards of acceptable commercial behaviour observed by reasonable and experienced people in the clothing market.”

WB also claims that registration of the trade mark would be contrary to section 5(4)(a) of the Act. It relies upon the trade mark:



WB states:

“The earlier right has been used in relation to a brand of clothing, the items of clothing bearing the earlier right on their labels and tags. This clothing is sold in shops, via wholesale retailers, throughout the UK and also via the Internet. The earlier right is also used outside of the UK, for example in the European Union, Japan, Canada, USA, Australia and New Zealand.”

WB seeks the refusal of the application in its entirety.

3) Arbre filed a counterstatement. It denies the grounds of opposition. In relation to section 3(6) of the Act, it states that the individual referred to by WB has not been named, nor have details of the shareholding been provided. Arbre states that operating a business in a similar or competing field of commerce does not constitute dishonesty nor does it represent falling short of a standard of acceptable commercial behaviour. In relation to section 5(4)(a), Arbre states that there is an absence of detail and particularisation in the claim of WB.

4) Both sides filed evidence.

5) A hearing was held on 26 June 2008. Arbre was represented by Mr Marsh of Wilson Gunn. WB was represented by Ms Eke of Saunders & Dolleymore.

#### **Evidence of WB**

6) This consists of a witness statement by Mr Adam Richardson. Mr Richardson is a partner of WB.

7) A good deal of the evidence of Mr Richardson emanates from after the date of application and/or is in relation to signs other than upon which WB relies.

8) Mr Richardson states that on 18 June 2003 the company As Worn By Limited was incorporated, in order to manufacture and sell vintage style clothing, especially t-shirts. As Worn By Limited started trading through a number of department stores in the United Kingdom, Europe, Japan, Asia and North America. The clothing was sold under the

trade mark shown in paragraph 2. Mr Richardson states that he “led the name and branding behind it”. At the time he was an investor in and director of Point Blank Limited, a design company that had a contract with MTV and which had, as a small non-commercial exercise, created a t-shirt brand called Pointees. Mr Richardson states that a Mr Steve Coe was also “[i]n Point Blank”. Mr Coe is described as a “freelance creative resource” who had a range of t-shirts that “concentrated on life in Essex” and who created moving image work for Point Blank. Mr Richardson states:

“The idea of coming up with a range of vintage T-shirts was hatched. Quite who said it first is something we will all dispute, but what is not under dispute is that:

- a) I led all negotiations with MTV to help fund an initiative of creating a range of vintage T-shirts that were worn by famous music stars and celebrities.
- b) The designs for the first range were created by Point Blank, its staff and freelancers including Steve Coe.
- c) Steve Coe helped putting us in contact with factories to produce the range.
- d) The name was created by Adam Richardson with email evidence from Steve Coe and others confirming this.
- e) Steve Coe, Steve Wallington (my co-director in Point Blank) and I were the three shareholders in As Worn By Limited.
- f) I refused Steve Coe to be a board director.”

9) Mr Richardson states that Mr Coe was offered the opportunity to invest in the company but did not wish to do so. Mr Coe announced that he was going to live in the United States of America and left the company. Mr Coe remained a shareholder of As Worn By Limited until the company was wound up in 2007. Mr Richardson states that as Mr Coe did not wish to invest As Worn By Limited was “wound down” and all of its assets were bought by WB in December 2005.

10) Mr Richardson states that Mr Coe took the contacts established by As Worn By Limited, went to the United States of America and created a brand called *worn free*. Mr Richardson states that Mr Coe’s first range included t-shirt designs originally sold by As Worn By Limited; the John Lennon *Home* t-shirt being the “first key one”. Mr Richardson states that Mr Coe took the original website and branding design created for As Worn By Limited and relaunched them as his, Mr Coe’s, own idea. Mr Richardson states that Mr Coe visited most of the retailers selling clothing items from As Worn By Limited and told them that:

- “a) it was all his idea
- b) as it was his idea he could use all the graphics
- c) that As Worn By Limited stole designs and operated without licenses.”

Mr Richardson states that he interviewed a number of retailers and recorded some conversations; these, he states, now for the basis of legal actions against Mr Coe for libel and slander. Mr Richardson states that Mr Coe was written to and “told to change his actions immediately”. Mr Coe responded by dropping the name *worn free* in the United

Kingdom and using a new name, *lost proprietee*. In other countries Mr Coe has refused to drop the name *worn free*.

11) Mr Richardson expresses his view that Mr Coe has acted in bad faith in his actions, including the filing of the trade mark application.

12) Mr Richardson states that As Worn By Limited started to use the stylised trade mark *WORN BY Original Icon Clothing* in relation to “vintage” clothing in the United Kingdom in May 2003. Mr Richardson states that it was used continuously in all markets, including the United Kingdom, from that date by As Worn By Limited and then its successor in title WB until 2006.

13) Mr Richardson states that stylisation of the trade mark *WORN BY Original Icon Clothing* evolved from its inception in 2003. Exhibited at AR1 is a copy of a leaflet produced in the summer of 2003, which launched the first range of t-shirts, and a copy of an advertisement from autumn/winter 2003. In fact neither of these exhibits use the sign upon which WB relies. The sign that was used is shown below:



Exhibited at AR2 is the design for a clothing tag, dated 20 November 2003:



As can again be seen this is not the sign upon which WB relies in its statement of grounds, although it is clearly much closer to it than the earlier sign which is reproduced above. Exhibited at AR3 is a copy of an advertisement which was placed in *Creative Review* in 2004 (no details of this publication are given). In this advertisement the sign upon which WB relies in its statement of grounds appears. Exhibited at AR4 is a copy of an advertisement, the creation of which is dated 15 June 2004, for *Vice Magazine*. No details of the magazine are given, nor is it stated when the advertisement appeared. The sign shown is the first one reproduced in this paragraph, and so very different to the sign relied upon in the statement of grounds.

14) Mr Richardson states that the sign relied upon in the statement of grounds was first used in January 2004. In January 2006 the sign used was changed to the one shown below:



Exhibits AR5, AR6, AR8 and AR9 show use of this sign on swing tags and catalogues. Exhibit AR7 shows a similar sign, but with the words *Original Classics* omitted. (Obviously all of this use is after the date of the application for registration.)

15) Mr Richardson states that all of the assets of As Worn By Limited were bought by WB, “this included the assignment of all common law rights connected with the trade

marks WORN BY Original Icon Clothing and WORN BY Original Classics, together with the whole of the goodwill of the business in which the trade marks were used”.

16) Mr Richardson gives the following wholesale sales figures for goods sold under the trade marks WORN BY Original Icon Clothing and WORN BY Original:

2004	£200,000
2005	£300,000
2006	£350,000

Mr Richardson states that t-shirts sell at a wholesale price of approximately £15.

17) Mr Richardson states that advertisements have been placed in *Vice Magazine*, *Creative Review*, *The Sunday Times*, *The Daily Telegraph*, *GQ*, *Arena*, *Dazed & Confused*, *The Sun*, *FHM*, *Style Magazine* and *Vogue*. No details of when the advertisements were placed are given and no copies of the pages from the publications are exhibited.

18) Mr Richardson states that WB has also exhibited at various trade shows, including the TBC, which he describes as the United Kingdom’s leading t-shirt fashion show. WB has exhibited at the TBC from 2004 onwards. (In referring to WB I am also referring to its predecessor in title, As Worn By Limited.) Mr Richardson gives a list of towns across England, Scotland and Wales where WB’s products have been sold. He states that the clothing is also promoted on WB’s website: [www.wornby.co.uk](http://www.wornby.co.uk); the website was created in November 2003.

19) Mr Richardson exhibits printouts from WB’s website at AR13 and AR14, these were all downloaded on 9 July 2007 (so nearly two years after the date of the application for registration). Mr Richardson states that the website includes a press section which includes press cuttings of celebrities wearing WB’s clothing. He states that it also includes examples of published articles that promote WB’s clothing, examples of which can be seen at AR14. Owing to the size of the print of the printouts exhibited at AR14 it is not possible to ascertain the date of the copies of the articles reproduced from internal evidence. A picture of a woman’s t-shirt is exhibited, which has the handwritten notation, *Drapers* January 2005; no trade mark can be seen. The copy of the article reproduced from *Hooker Magazine* shows use of the sign upon which WB relies in its statement of grounds; the size of the print militates against anything further being discovered from this reproduction. A further handwritten annotation identifies an article as emanating from *Sportwear* in 2005; again it is not possible with the naked eye to identify any trade mark. A reproduction of an article which is headed “Fashion 03” can be seen.

20) Mr Richardson states that the trade mark *WORN BY Original Icon Clothing* was used in relation to t-shirts, vests, long-sleeved tops, sweatshirts, polo shirts and hooded sweatshirts. Mr Richardson states that it can be seen from exhibits AR8 and AR13 that the trade mark *WORN BY Original Classics* was used in relation to this range of clothing.

Mr Richardson states WB's trade marks are applied to the labels sewn inside the necks of items of clothing, to tags and are attached to clothing. Mr Richardson exhibits pictures of the goods of WB at AR15. A cerise t-shirt has a swing label attached which shows the trade mark upon which WB relies in its statement of grounds. However, the neck label that can be seen is in a different format, if consisting of the same words. A picture of a "Manilla Gorilla" t-shirt shows a swing label with the trade mark shown in paragraph 14; the neck label is different again, if again consisting of the same words.

21) Mr Richardson states that Mr Coe is the person behind Arbre. Mr Richardson states that Mr Coe has adopted a trade mark and get-up that imitates the WB's get-up and its *WORN BY* trade marks. A photograph of one of Arbre's t-shirts is exhibited at AR16. The trade mark the subject of Arbre's application can be seen inside of the neck of the garment. A swing label can also be seen. Mr Richardson states that the t-shirt is a copy of one worn many years ago by a celebrity and the clothing tag bears a photograph of the celebrity wearing the t-shirt, as do the tags for WB garments.

22) Mr Richardson believes that Mr Coe has deliberately copied WB's trade marks and get-up in order to mislead consumers into thinking that clothing items bearing the trade mark of the application are WB's clothing items bearing the trade mark *WORN BY*.

#### **Evidence of Steve Coe**

23) This consists of a witness statement by Mr Steve Coe. Mr Coe states that Arbre was established as a service company by Ms Catherine Coe (the sole owner) to facilitate "certain business formalities", required by department stores in the United States of America, on behalf of Mr Coe's design company in the United Kingdom, Ambush Ltd.

24) Mr Coe states that Arbre was incorporated on 7 May 2004 for the purposes of producing, selling and administering different ranges of exclusive fashion clothing, designed and licensed by Ambush Ltd. Mr Coe states that since its creation Arbre has sold clothing with a "retro feel", which is currently a fashionable trend. Mr Coe states that the range, which is predominantly of t-shirts and tops, is inspired by the types and styles of clothing worn in the past by celebrities and musicians. Mr Coe states that many clothing manufacturers and retailers produce clothing garments that have a vintage or retro feel.

25) Mr Coe states that at the end of 2004 and beginning of 2005 he obtained licences to use the images and/or designs of John Lennon, Frank Zappa, the rock group Queen, graphic designer John van Hamersveld and the vintage surf shop Wind at Sea to recreate t-shirts inspired, designed or worn by them. Mr Coe states that production of these designs was established in the United States of America, after he had explored options with his contacts in the clothing manufacturing industry and distribution channels. Mr Coe states that by mid 2005 he was "required" to devise a trade mark to be applied to the garments that would reflect a feeling of the freedom and free thinking of the icons of the 1960s and 1970s that the line included. Mr Coe chose *WORN FREE*, a play on the

famous film and song *Born Free*; in July 2005 Arbre applied to register the WORN FREE trade mark in the United States of America.

26) In August 2005 Mr Coe states that he secured orders for clothing items created by Arbre and was able to sell the same into “high end” stores around the world, including six retail outlets in the United Kingdom, including the department store, Liberty. Mr Coe states that he had continued to use the trade mark the subject of the application since August 2005. Mr Coe states that since August 2005 to date Arbre has encountered no instances of any confusion with WB or its business; neither has he been made aware of any confusion by retailers or consumers.

27) Mr Coe exhibits at SC1 copies of samples of swing tickets attached to clothing produced by Arbre in September 2005; these show use of the trade mark the subject of the application. Exhibited at SC2 are extracts from the *Worn Free* website; a Frank Zappa rental shirt t-shirt can be seen, the price shown is \$40.

28) Arbre has a United States trade mark registration for the trade mark WORNFREE for shirts. The application for registration was made on 1 July 2005. Arbre is the owner of a United Kingdom registration for the trade mark:



The application for registration was made on 12 May 2004, the trade mark is registered for clothing, footwear and headgear. The trade mark was assigned on 30 March 2007 and the assignment recorded on 7 September 2007. The details of the case supplied do not indicate who was the owner prior to Arbre. Taking into account the date of assignment and the absence of evidence in relation to the assignor, I cannot see that the ownership of the above registration has any bearing upon this case. Mr Coe exhibits printouts, at SC5, of United Kingdom registrations for the trade marks WORN WITH PRIDE, BORN TO BE WORN and



All of these trade marks are registered for items of clothing. This tribunal, the High Court and the Court of First Instance have all stated that what is relevant is evidence of what is happening in the marketplace, not what trade marks sit upon the register<sup>1</sup>. I

cannot see that the four trade mark registrations establish that the *worn* is commonly used as a trade mark in the marketplace or that it is a term lacking in distinctiveness. Consequently, I will take no cognisance of the state of the register evidence.

29) Mr Coe states that he in 2003 he was non-exclusively retained by Point Blank in a creative role; among other things he advised upon the design of a range of t-shirts. Mr Coe states that he suggested a range of vintage or retro style t-shirts inspired by cultural icons. He suggested that the range could be marketed with the descriptor “AS WORN BY...”, the blank would give the name of the celebrity who inspired the design and style of each item. Mr Coe states:

“As Worn By Limited was created and via Point Blank Limited, retained my services to develop this concept and facilitate manufacturing contracts and a distribution network.”

Mr Coe states that for his creative input he was promised a third share in the company As Worn By Limited and a position as one of the three directors.

30) Mr Coe states that as the business of As Worn By Limited developed he became increasingly uncomfortable with its approach to intellectual property, copyright and licensing. He became concerned that As Worn By Limited was increasingly using images or photographs of well-known persons on its clothing without licences or consent. Mr Coe states that he expressed his concerns about the practice to the other parties involved and it was then that he investigated his “official position” further. Mr Coe states that he had been registered as a one third shareholder of As Worn By Limited but had not been registered as a director. When he challenged the position he was offered a directorship but declined to accept because of his concerns about the voting structure that the other parties had established.

31) Mr Coe states that As Worn By Limited was liquidated and the original directors incorporated a new company, WB, in December 2005. Mr Coe states that he decided not to have any dealings with the new company and has never had any formal or informal relationship with WB.

### **Evidence in reply of WB**

32) This consists of another witness statement by Mr Richardson.

33) Mr Richardson states that Mr Coe has taken items of merchandise produced by WB and “used them within his company trading under the brand Worn Free”.

34) Mr Richardson states that Mr Coe was employed by Point Blank and As Worn By Limited under a non-disclosure agreement and was advised at all times that the idea for vintage clothing could only be discussed using this agreement. (Mr Richardson does not exhibit a copy of the agreement.) A copy of an e-mail dated 12 March 2003 from Mr Richardson to Mr Coe is exhibited at AR18. This e-mail and the attachment outlines the concept of the period t-shirts. The e-mail requests that Mr Coe does not discuss the idea

unless it is under a non-disclosure agreement or with someone that he trusts implicitly. The attachment outlines the business and launch plans. It proposes that the management is supplied by Mr Coe and AR (I assume this refers to Mr Richardson).

35) Mr Richardson states that Mr Coe was a shareholder in As Worn By Limited. Mr Richardson states that As Worn By Limited was dissolved after Mr Coe refused to place an equal share of funds in the company. Exhibited at AR19 are copies of various e-mails to and from Mr Coe; they cover the period 21 June 2004 to 4 November 2004 (although they deal with matters occurring prior to 21 June 2004). It appears from these e-mails that Mr Coe declined to be a director. In an e-mail dated 13 July 2004 he suggested buying out the other two shareholders in the company. The e-mails cover the issue of Mr Coe putting funding into the undertaking or leaving the undertaking. It appears from the contents of the e-mails that Mr Coe was resident in the United States of America during the period covered by the e-mails. A copy of board meeting minutes included in the exhibit indicate that it was agreed that an agreement should be reached with Mr Coe for him to act as agent for sales in the United States of America.

36) Mr Richardson states that Arbre, in response to mail from WB, has withdrawn its WORN FREE brand from a number of countries, including the United Kingdom. Mr Richardson states that the products are branded *Ambush* when sold in the United Kingdom. (In his first statement Mr Richardson stated that the products were branded *lost propertee* and that in other countries Mr Coe had refused to drop the name *worn free*, see paragraph 10.) Mr Richardson states that the stylisation of Arbre's trade mark has recently changed, being now based on the image of a flying bird. Copies of pages from wornfree.com downloaded on 17 January 2008 are exhibited at AR20; these show use of the bird form of the trade mark. On the first page reproduced the following is written:

“To speed delivery, some European customers may receive shirts with “Lost Property” labels.”

37) Mr Richardson states that the domain name wornfree.com was registered on 2 July 2005 whilst the domain name wornby.co.uk was registered on 7 July 2003.

38) Mr Richardson states that WB has interviewed various retailers in the United Kingdom, United States of America, Europe and Japan and that it has been clearly established that Mr Coe has misled buyers regarding the origin of the brand *Worn Free*. Mr Richardson states that many of these retailers believe that it is associated with the brand *Worn By*. No documents are exhibited in relation to these statements by Mr Richardson and no names of the retailers are given. Mr Richardson states that in conversations with a major United Kingdom department store it was clear that WB has lost business and that Arbre, trading under the brand *Worn Free*, has taken over that business. Mr Richardson does not give the name of the department store nor does he exhibit any material in relation to this statement.

39) Mr Richardson states that Mr Coe has tried to use sales agents used by WB. He exhibits at AR21 a copy of an e-mail to Fraser Trewick in relation to this claim. In fact

Mr Trewick states that he had never been an agent for *Worn Free* and simply did a few favours for Mr Coe.

40) Mr Richardson states that in early 2004 Mr Coe was paid by As Worn By Limited to look at the opportunities in the United States of America. Copies of various e-mails to and from Mr Coe are exhibited at AR19; in one Mr Coe asks whether an invoice should be sent to As Worn By Limited for a trip to Las Vegas (to which the answer is in the affirmative) and another he refers, inter alia, to sales for the United States of America; these particular e-mails are dated 5 February 2004 and 16 June 2004 respectively. Mr Richardson states that it is now clear that Mr Coe took the information that he gleaned and created his own company, using his family as a front for the activities. Mr Richardson states that Arbre is in the sole ownership of Ms Catherine Coe, whom he believe to be the mother of Mr Coe.

41) Mr Richardson states that during 2003, 2004 and 2005 WB sold various t-shirts to the United States of America. Mr Richardson refers to the copy of an e-mail dated 13 July 2004, exhibited at AR19, which refers to a launch in California on 30 August 2004.

42) Mr Richardson states:

“We at Worn By accept and acknowledge that the idea of vintage t shirts can be copied and accept that, generally speaking and assuming no passing-off, Arbre Group LLC can use one or more of its other trading names, eg. Lostpropheteer or Ambush, under which it sells its t shirts, without recourse from Worn By (Original Icon Clothing) LLP. But in the name, look, identity on product and approach, the mark Worn Free is clearly being used by Arbre Group LLC to pass off the brand and business represented by the mark Worn By and it is therefore our case the opposed application should be removed as it was sought in bad faith.”

### **The parameters of the case**

43) Arbre is a vehicle for the business of Mr Coe, even if the sole owner is Ms Catherine Coe. There is nothing in the evidence that suggests that Arbre does not simply effect the wishes of Mr Coe. Mr Marsh at the hearing did not seek to distinguish between the actions of Mr Coe and those of Arbre in relation to this application. Consequently, I will treat the actions of Arbre as implementing the will of Mr Coe.

44) Parts of the evidence deal with the “concept” behind the business of WB. In his evidence in reply Mr Richardson accepts that he cannot monopolise this concept. Even if he had not accepted this, the issues relating to the concept would not be directly relevant to these proceedings. These proceedings relate solely to the application for one particular trade mark on one particular date. It may be that certain of the actions of Mr Coe might give a perspective on his action in filing the application but they can do little more than that. My decision is limited to whether at a given date(s) the application for the particular

trade mark was made in bad faith and/or whether use of the trade mark would have been liable to have been prevented by the law of passing-off.

45) Ms Eke in her submissions seemed to be advancing the argument that any application for a trade mark, at the date of application, made by Mr Coe, or an undertaking that was linked to be Mr Coe, would have been an act of bad faith. The basis of this argument was born of Mr Coe being a share holder in As Worn By Limited at the date of the application for registration of the trade mark. At the date of application the evidence shows that Mr Coe was taking no part in the activities of As Worn By Limited, he was neither an officer nor an employee of the company. I can see nothing that stops a shareholder in one undertaking applying for a trade mark for another undertaking. It is not uncommon for people to be shareholders in more than one undertaking. There is no hint of an agreement that debarred Mr Coe from applying for a trade mark. I cannot see that the filing of a trade mark application per se on 28 September 2005 would have breached any duty of fidelity or a fiduciary duty<sup>ii</sup>. Consequently, the question of bad faith relates to the application for this particular trade mark, not for any trade mark application and must be considered in relation to this particular trade mark.

#### **Passing-off – section 5(4)(a) of the Act**

46) Section 5(4)(a) of the Act states:

“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,”

47) The principles of the law of passing-off were summarised by Lord Oliver in *Reckitt & Colman Products Ltd v. Borden Inc* [1990] RPC 341 at page 406:

“The law of passing off can be summarised in one short general proposition--no man may pass off his goods as those of another. More specifically, it may be expressed in terms of the elements which the plaintiff in such an action has to prove in order to succeed. These are three in number. First he must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying 'get-up' (whether it consists simply of a brand name or trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff's goods or services. Secondly, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by him are the goods or services of the plaintiff. ... Thirdly he must demonstrate that he suffers, or in a *quia timet* action that he is likely to suffer, damage by reason of the erroneous belief engendered by the

defendant's misrepresentation that the source of the defendant's goods or services is the same as the source of those offered by the plaintiff.”

48) It is necessary to decide what the material date in relation to the claim of passing-off is. It is well established that this date is the date of the behaviour complained of<sup>iii</sup>. Section 5(4)(a) is derived from article 4(4)(b) of First Council Directive 89/104 of December 21, 1998 which states:

“rights to a non-registered trade mark or to another sign used in the course of trade were acquired prior to the date of application for registration of the subsequent trade mark.”

Consequently, the material date cannot be after the date of application. Mr Coe states that Arbre first used the trade mark the subject of the application in the United Kingdom in August 2005 in relation to t-shirts. This has not been contested by WB. Consequently, the behaviour complained of, in relation to t-shirts, is sometime in August 2005. In relation to the other goods of the application the material date must be the date of the application, 28 September 2005. The evidence does not indicate that WB's position would be improved or worsened if one took either date. In relation to the use of Arbre's trade mark in the United Kingdom, the evidence of WB that the use was stopped following a challenge from it has not been challenged. So there does not appear to have been any lengthy period in which the two parties have traded side by side by reference to their respective trade marks.

49) Mr Marsh submitted that the evidence of WB did not show that it enjoyed a goodwill. He commented on what he considered to be the small scale of the sales, the way that the figures for turnover were rounded and the distance between the number of t-shirts sold referred to in the e-mail of Mr Richardson of 21 June 2004, exhibited at AR19, and the turnover figures stated for 2004. In relation to the last two points Mr Marsh is challenging the evidence, although he stated he was not. If he is querying the validity of the evidence in relation to these points I cannot see how he is not challenging the evidence. There is nothing in the points that he made that makes the evidence of Mr Richardson seem inherently unbelievable. It is common for parties in proceedings to round figures, although it is certainly not encouraged. I can see little merit in the querying of the relationship between the sales referred to in the e-mail of 21 June 2004 and the sales figures given for 2004. If the t-shirts were being sold at £15 wholesale, the sale of 5,000 t-shirts would have brought in £75,000; the sale of a further £125,000 of t-shirts in the remaining six months plus of the year hardly gives rise to doubts about the veracity of the sales figures, especially as this six months plus period would have included the Christmas period and the sales figures for the other years show an increasing turnover. Arbre had the standard tools to challenge the evidence at its disposal: requests for disclosure, cross-examination and/or the filing of contradictory evidence. It has not made use of these and so the evidence of Mr Richardson must stand<sup>iv</sup>. In relation to Mr Marsh's comments about the scale of the business, the law of passing-off protects small businesses as well as great ones; although it does not protect a trivial goodwill<sup>v</sup>.

50) How goodwill is to be established has been dealt with in several judgments<sup>vi</sup>. *Phones 4u Ltd v Phone4u.co.uk. Internet Ltd* establishes that one cannot just follow a formula or demand certain predetermined requirements to be met. The evidence of sales and promotions shows that As Worn By Limited had a business in t-shirts, vests, long-sleeved tops, sweatshirts, polo shirts and hooded sweatshirts as of August 2005, the goodwill of the business was taken over by WB in December 2005. This was not a particularly large business but certainly not a trivial one. I consider that as of either material date As Worn By Limited had established the requisite goodwill in a business for the goods rehearsed above.

51) It is necessary to decide if the business was associated with the trade mark upon which WB relies in its opposition. Mr Richardson states that this trade mark was used for the period from January 2004 to January 2006. Mr Richardson states that there was concurrent use of the trade mark, for at least part of this period, with the first trade mark shown in paragraph 13. Exhibit AR3 shows use of the trade mark in an advertisement for *Creative Review* in 2004. WB has established that the trade mark upon which it relies is associated with the goodwill of the business.

52) Mr Richardson states that there have been instances of confusion between WB's trade mark and that of the application. For the most part there is an absence of detail as to where the confusion took place. In his evidence in reply Mr Richardson states that Urban Outfitters in the United States of America thought that the two brands were the same. However, as he describes this confusion as recent it might not relate to the trade marks under consideration. It is also possible that the instances of confusion that Mr Richardson states have taken place have arisen not because of the use of the trade mark the subject of the application but because of the behaviour of Mr Coe, of which Mr Richardson complains. The confusion could have arisen outwith the trade mark. The water is also muddied where, in his evidence in reply, Mr Richardson states:

“In conversations with one major UK department store it is clear that we at Worn By have lost business and that the Arbre Group LLC trading under the brand Worn Free has taken that business over.”

The loss of business to a competitor is not the same as confusion in relation to the respective trade marks. Taking the above factors into account I do not consider that Mr Richardson's statements as to instances of confusion can have a bearing on the case as they might have the result of matters outwith the trade mark the subject of the application. Mr Coe states that since August 2005 to date Arbre has encountered no instances of any confusion with WB or its business; neither has he been made aware of any confusion by retailers or consumers. However, he does not deny that he has ceased using the trade mark the subject of the application in the United Kingdom following representations from WB; the website evidence exhibited at AR20 also confirms that *WORN FREE* is not used in some European countries. It can also be seen from this website evidence that the form of the trade mark has changed. So this absence of evidence of confusion does not really tell me anything.

53) Consequent upon the above, I have to effectively deal with this as a *quia timet* action. The trade marks to be compared are:



The question before me is whether the use of the left hand trade mark in relation to the goods of the application would lead the public to believe that WB, or its predecessor in title, was offering these goods, or some of the goods of the application. As this is a passing-off case I have to make my judgment on the basis of the actual use by WB and the context of that use; although I have to consider Arbre's trade mark on the basis of fair and notional use. Mr Marsh considered that Arbre's trade mark had little distinctiveness as it was descriptive of the attire being sold, reproductions of clothing worn by various celebrities. The issue of descriptive words in passing-off cases has been considered in a number of cases; for instance *Office Cleaning Services Ltd v Westminster Officer Cleaning Association* [1946] 63 RPC 39 and *Radio Taxicabs (London) Ltd v Owner Drivers Radio Taxi Services Ltd* [2004] RPC 19. In the former case Lord Simonds stated:

"... in the case of trade names the Courts will not readily assume that the use by a trader as part of his trade name of descriptive words already used by another trader as part of his trade name is likely to cause confusion and will easily accept small differences as adequate to avoid it."

54) It is a given in this case that the fundamental concept behind both undertaking's clothing is that the garments are copies of garments worn by celebrities from a past era. (Although Arbre's range of goods also includes vintage t-shirts from graphic designer John van Hemersveld and the vintage surf shop Wind at Sea.) In the promotion and sale of the clothing, WB clearly identifies the celebrity who originally wore the garment; so the swing tags exhibited at AR5 identify the garment with John Bonham of Led Zeppelin. However, in use the trade mark upon which WB relies is clearly being used as a trade mark and a clear identifier of the provenance of the goods. (It is also to be taken into account that the sign is not "as worn by" which would be more descriptive and, of course, formed the name of the original company, As Worn By Limited.) In my view, perhaps counter-intuitively, the trade mark upon which WB relies, taking into account the use shown, works quite effectively as a trade mark.

55) Mr Coe states that Arbre's trade mark was chosen as a play on the song and film *Born Free*. This is an unchallenged statement and so must be accepted as far as it goes. Mr Marsh did not seem to consider that *Born Free* would be known to many. The goodwill of WB rests very much with a young market and, in the absence of evidence, I

do not consider that this market would be aware of a British film of many years ago and a song sung by Matt Munro; my knowledge of these matters is a simple reflection of my proximity to retirement. So I do not consider that the reason for the naming of the range will have an impact on the perception and reaction of the public concerned. Mr Coe makes this reference to *Born Free* but that is not the trade mark; he has chosen to use the word *worn* as a substitute for *born*. Mr Coe knew of the trade marks of WB so he knew when he decided upon the trade mark that it would include part of the trade mark of WB. He gives no explanation as to why he did this. Mr Coe had the whole of the English language before him but chose a trade mark which included part of the trade mark of WB and would be actually used for the very same goods. Mr Richardson states that Mr Coe visited most of the retailers selling clothing items from As Worn By Limited and told them that:

- “a) it was all his idea
- b) as it was his idea he could use all the graphics
- c) that As Worn By Limited stole designs and operated without licenses.”

This evidence is unchallenged by Arbre. It would appear at the least that Mr Coe was attempting to get retailers to substitute his goods for those of WB.

56) Arbre’s trade mark includes the word FREE, which is totally alien to WB’s trade mark; this is not an insignificant element of the trade mark. WB’s trade mark includes the prominent word BY, which is alien to Arbre’s trade mark. There are clear differences between the trade marks, and clear similarities. This leaves the question as to whether the similarities would cause a misrepresentation or the differences militate against such a circumstance. In considering the possibility of misrepresentation it is necessary to consider the goods. Some of the goods of the specification are identical to those for which WB has a goodwill, the rest are clearly in the same field of activity. In *Harrods v Harroddian School* [1996] RPC 697 Millett LJ stated:

“The absence of a common field of activity, therefore, is not fatal; but it is not irrelevant either. In deciding whether there is a likelihood of confusion, it is an important and highly relevant consideration.”

So the presence of a common field of activity is important and highly relevant, it increases the possibility of a misrepresentation.

57) In the end, taking into account all of the factors that I have discussed herein, I have found it very difficult to reach a decision as to whether there would be deception. However, I do consider it pertinent that Mr Coe has given no explanation as to why he chose to use the word WORN in his trade mark; I do not consider that it can be considered coincidence. He must have chosen to use this word for a purpose. By using a trade mark which includes the word WORN in a prominent position and in a flowing, slightly old fashion font, was Arbre straining to take advantage of WB’s trade mark, to deceive the public into thinking that WB, or its predecessor in title, was responsible for

the goods sold under the trade mark or that there was a link between the two undertakings? In *Harrods v Harrodian School* [1996] RPC 697 Millet LJ stated:

“Deception is the gist of the tort of passing off, but it is not necessary for a plaintiff to establish that the defendant consciously intended to deceive the public if that is the probable result of his conduct. Nevertheless, the question why the defendant chose to adopt a particular name or get up is always highly relevant. It is "a question which falls to be asked and answered": see *Sodastream Ltd. v. Thorn Cascade Co. Ltd.* [1982] R.P.C. 459 at page 466 per Kerr L. J.”

It might be said that even if this was his motive this does not mean that he has succeeded. However, as Lindley LJ in *Slazenger & Sons v Feltham & Co* [1889] 6 RPC 531 stated:

“Why should we be so astute to say that he cannot succeed in doing that which he is straining every nerve to do?”

There is none of the damning evidence that was adduced in *Slazenger & Sons v Feltham & Co* but it still leaves the unanswered question as to why WORN was chosen to form part of the trade mark, taking into account the previous close relationship of the parties.

58) Taking into account the similarities and dissimilarities of the respective trade marks, the nature of the respective trade marks, the respective goods, the nature of the relationship between Mr Coe and WB’s predecessor in title, I find that use of Arbre’s trade mark would give rise to a misrepresentation.

59) In *Erven Warnink BV v J Townend & Sons (Hull) Ltd* [1980] RPC 31 Lord Fraser commented upon what the plaintiff must establish:

“That he has suffered, or is really likely to suffer, substantial damage to his property in the goodwill by reason of the defendants selling goods which are falsely described by the trade name to which the goodwill is attached.”

Owing to the parties operating in the same field of activity I consider that it is inevitable that there would be substantial damage to the goodwill of WB. The damage would be caused by:

- Diverting trade from WB to Arbre.
- Potentially injuring the trade reputation of WB if there were any failings in the goods of Arbre.
- By the injury which is inherently likely to be suffered by any business when on frequent occasions it is confused by customers or potential customers with a business owned by another proprietor or is wrongly regarded as being connected with that business<sup>vii</sup>.

**60) WB having satisfied the three requirements of the law of passing-off, the application is to be refused in its entirety by virtue of section 5(4)(a) of the Act.**

### **Bad faith – section 3(6) of the Act**

61) Section 3(6) of the Act states:

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

62) Bad faith has to be considered at the time of the making of the application. Acts afterwards cannot change the fact that an application was made in bad faith; although they may be indicative of whether an application was or was not made in bad faith<sup>viii</sup>.

63) Bad faith includes dishonesty and “some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular field being examined<sup>ix</sup>”. Certain behaviour might have become prevalent but this does not mean that it can be deemed to be acceptable<sup>x</sup>. It is necessary to apply what is referred to as the “combined test”. This requires me to decide what Mr Coe, on behalf of Arbre, knew at the time of making the application and then, in the light of that knowledge, whether the behaviour fell short of acceptable commercial behaviour<sup>xi</sup>. Bad faith impugns the character of an individual or collective character of a business, as such it is a serious allegation<sup>xii</sup>. The more serious the allegation the more cogent must be the evidence to support it<sup>xiii</sup>. However, the matter still has to be decided upon the balance of probabilities.

64) I have already dismissed the submission that Arbre, or some other vehicle of Mr Coe, by applying for any trade mark at the date of application would have committed an act of bad faith. The issue rests solely on the particular trade mark in question here. I consider that Mr Marsh was correct when he stated that the bad faith claim was linked to the passing-off claim; although owing to the different criteria relating to the claim I do not consider that it can be held that the decision in relation to bad faith **must** follow that in relation to passing-off. A finding of passing-off can be made where there is no intention to misrepresent. If the misrepresentation caused by the trade mark was not intentional, I cannot see that the either part of the combined test is satisfied. If, however, the intention was deliberate then both parts of the combined test are satisfied and the filing of the application falls short of acceptable commercial behaviour observed by reasonable and experienced men in the particular field being examined; it cannot be acceptable behaviour to attempt to pass-off one's goods as those of another.

65) In making the finding in relation to passing-off, I took into account a number of factors which included the absence of an explanation as to why the word WORN was used and the relationship between the parties; these two considerations placed a few grains in the balance in the favour of WB. The balance weighed in favour of WB in relation to passing-off. It is not uncommon for competitors to try and get as close to the products of others (see for instance *United Biscuits (UK) Limited v Asda Stores Limited* [1997] RPC 513). Sometimes, as in the aforesaid case, the competitor gets too close and falls into passing-off and/or trade mark infringement; as I have found here. In this case I consider, taking into account the relationship between the parties, that the use of WORN

in the flowing script was designed to associate the goods of Arbre with those of WB and so the application for the registration of the trade mark the subject of the application was made in bad faith. **The application is refused under section 3(6) of the Act.**

### **Costs**

66) WB having been successful is entitled to a contribution towards its cost. I award costs on the following basis:

Opposition fee	£200
Notice of opposition	£300
Considering the counterstatement	£200
Preparing and filing evidence	£700
Considering evidence of Arbre	£350
Preparation and attendance at hearing	£500
<b>TOTAL</b>	<b>£2,250</b>

I order Arbre Group LLC to pay Worn By (Original Icon Clothing) LLP the sum of £2,250. This sum 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 7 day of July 2008**

**David Landau**  
**For the Registrar**  
**the Comptroller-General**

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<sup>i</sup> See for example *GfK AG v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-135/04 and *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281.

<sup>ii</sup> See *Shepherds Investments Ltd v Walters* [2007] FSR 15 and *Helmet Integrated Systems Ltd v Tunnard* [2007] FSR 16.

<sup>iii</sup> *Cadbury Schweppes Pty Ltd v Pub Squash Co Pty Ltd* [1981] RPC 429 and *Inter Lotto (UK) Ltd v Camelot Group PLC* [2004] RPC 8 and 9.

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<sup>iv</sup> See the decision of Mr Richard Arnold QC, sitting as the appointed person, in *EXTREME Trade Mark* BL O/161/07.

<sup>v</sup> *Hart v Relentless Records Ltd* [2003] FSR 36.

<sup>vi</sup> *South Cone Inc v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19, *Loaded* BL O/191/02 and *Phones 4u Ltd v Phone4u.co.uk. Internet Ltd* [2007] RPC 5.

<sup>vii</sup> see *Habib Bank Limited v Habib Bank AG Zurich* [1982] RPC 1.

<sup>viii</sup> Mr David Kitchin QC, sitting as the appointed person, in *Ferrero SpA's Trade Marks* [2004] RPC 29:

“12 Section 3(6) of the Act states that:

"A trade mark shall not be registered if or to the extent that the application is made in bad faith."

Bad faith must therefore be established as at the date of the application. Nevertheless I do not believe this excludes from consideration matters which have occurred after the date of the application. They may well assist in determining the state of mind of the applicant at the date of the application. In the present case the hearing officer certainly did take into consideration matters which fell after the relevant filing dates.”

<sup>ix</sup> *Gromax Plasticulture Limited v. Don and Low Nonwovens Ltd* [1999] RPC 367.

<sup>x</sup> *Harrison v Teton Valley Trading Co* [2005] FSR 10.

<sup>xi</sup> (1) *Barlow Clowes International Ltd. (in liquidation)* (2) *Nigel James Hamilton and (3) Michael Anthony Jordon v (1) Eurotrust International Limited (2) Peter Stephen William Henwood and (3) Andrew George Sebastian* Privy Council Appeal No. 38 of 2004 and *Ajit Weekly Trade Mark* [2006] RPC 25.

<sup>xii</sup> See *Royal Enfield Trade Marks* [2002] RPC 24.

<sup>xiii</sup> *Re H (minors)* [1996] AC 563.