

O-234-09

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No. 2444874
BY GORDON JAMES TILLEY TO REGISTER A
TRADE MARK IN CLASS 15**

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER NO. 95869 BY PATRICK JAMES EGGLE GUITARS LTD**

BACKGROUND

1) I note (from information publicly available on the trade mark application file), that on 29 December 2006, Plexo Limited (Plexo) applied to the Office for Harmonisation in the Internal Market (OHIM) to have their Community Trade Mark Registration No.150169 converted into a UK national application. In a letter dated 18 January 2007, OHIM notified the United Kingdom Trade Marks Registry (TMR) that they had accepted Plexo's conversion request. The converted application (which retained its original filing date of 1 April 1996) was allocated No. 2444874. The application was for the following trade mark:



2) The application was examined and accepted, and was subsequently assigned from Plexo to Gordon James Tilley. I note that it was published for opposition purposes on 19 October 2007 in Trade Marks Journal No.6706 for the following goods in class 15 "Guitars and parts and fittings therefor".

3) On 16 January 2008, Patrick James Eggle Guitars Ltd (PJEG) filed a notice of opposition based on sections 3(6) and 5(4)(a) of the Trade Marks Act 1994 (as amended) (the Act). PJE frame their attack based on section 3(6) in the following terms:

"The trade mark PATRICK EGGLE is rightfully the mark of the Opponent having been used by the Opponent or by its predecessors in title since 1990. Furthermore the opposed application was purportedly assigned to the applicant in September 2007 from Plexo Ltd but Plexo Ltd changed its name to Pavilion Direct Marketing Ltd in April 1996 and the company was dissolved on 26th December 2000 therefore the assignment is invalid."

4) Insofar as the claim based on section 5(4)(a) is concerned, I note that PJEG claim to have used the marks PATRICK EGGLE and PATRICK JAMES EGGLE on guitars since 1990 and 1995 respectively.

5) On 18 April 2008 Mr Tilley filed a counterstatement in which he said, inter alia:

"Patrick James Eggle sold the rights to his name in 1994... enabling the company to establish the trademarks "Eggle" and "Patrick Eggle".

The rights of this trademark registered to Plexo Limited, passed to Pavilion Direct Marketing Ltd by change of name. These rights were sold to Musical Exchanges Ltd by the receiver of Pavilion Direct Marketing Ltd...

I purchased these rights from Musical Exchanges, and in 2007, I corrected the documentation of the UK Intellectual Property Office to my name, to show correct current ownership.

Throughout all this time, the trademark “Patrick Eggle” has been used continuously by the subsequent owners without break and has been strenuously defended.

When Patrick James Eggle started to use his name at the first NAMM Music exhibition he attended as an exhibitor in the USA, I flew out and took a stand at the show and confronted him, telling him he was infringing our trademark and had to stop using his name.

Since his return to the UK and his formation of Patrick James Eggle Guitars Limited, he has promoted his name, which is inevitably abbreviated in the press to “Patrick Eggle”, we have threatened to sue for damages for the “passing off” of our trademark...

The opposition [is invalid] as the assignment took place prior to Plexo Ltd/Pavilion Direct Marketing being dissolved. Patrick James Eggle has not been allowed to use his name as a trademark by all the previous and current owners of the “Patrick Eggle” trademark.”

6) I note that attached to Mr Tilley’s counterstatement are a range of documents some of which were re-filed during the evidential stages of these proceedings; I will refer to these documents later in this decision.

7) Both parties filed evidence in these proceedings. At the conclusion of the evidence rounds the Trade Marks Registry (TMR) wrote to the parties allowing them until 30 April and 11 May 2009 respectively in which to either request a hearing or to file written submissions in lieu; no response was received from either party. Before the papers were passed to me for a decision to be taken, the TMR wrote to the parties again on 26 May, to enquire how they wished to proceed in respect of certain documents marked without prejudice contained in the evidence of Mr Tilley. The parties responded in letters dated 4 and 8 June; they both indicated that they were content for the documents mentioned to be taken into account. In view of that agreement, and after a careful consideration of all the material before me, I give this decision.

OPPONENT’S EVIDENCE

8) This consists of a witness statement, dated 26 July 2008, from Patrick James Eggle. Mr Eggle explains that he is a Director of PJEG a position he has held since its incorporation in 2005. The following information emerges from his statement:

- that he began his career as a guitar maker at the age of fifteen whilst still in school and subsequently studied guitar building at the Guild Hall in London;

- that he established his own company based in Hertfordshire to manufacture guitars and was assisted by a grant from the Prince's Trust in 1989;
- that from 1989 to mid 1990 he built and marketed approximately fifty guitars under the name PATRICK EGGLE CLIMAXE to a retail network of twelve UK based dealers. Exhibit PJE1 consists of a review which is said to have appeared in the Guitarist magazine in January 1990; the article is entitled: "The Eggle has landed Patrick Eggle "Climaxe" Guitar". Also included is a Patrick Eggle Guitar's price list from what is described as "approximately the same date.";
- that in mid 1990 he established a limited company, Patrick Eggle Guitars Limited together with Andrew Selby;
- that Patrick Eggle Guitars Limited and the PATRICK EGGLE brand gained rapid support and at its peak in 1994 a total of 2800 instruments were produced from its Coventry based factory. The PATRICK EGGLE name was, he says, well known throughout the European and US guitar markets;
- that in 1995 he left Patrick Eggle Guitars Limited and embarked on several different guitar based enterprises trading under his name PATRICK EGGLE;
- that towards the end of 1995 he established a new guitar product called REDWING BY PATRICK EGGLE and instruments under this name were sold by six UK retailers and were advertised and featured in the UK press. Within a year approximately 100 guitars were sold under this name. Exhibit PJE2 consists of three leaflets said to date from 1995 featuring the REDWING guitar each of which contains a reference to, for example: "Designed by Patrick Eggle.";
- that towards the end of 1996 he began producing guitars under his name PATRICK EGGLE in association with Robert van de Ende. These guitars were redesigned and factored primarily in the US and assembled in Holland. Approximately 150 guitars were built during this association. Exhibit PJ3 consists of two leaflets said to date from 1996 in relation to the MXG guitar which includes references to Patrick Eggle;
- that in 1997 he began to build a range of jazz guitars under his full name PATRICK JAMES EGGLE and at about the same time he built two semi acoustic guitars which included his name PATRICK JAMES EGGLE on the headstock. Exhibit PJE4 consists of a review from TGM magazine said to date from 1999 in support;
- that in 2000 he began a collaboration with Michael Stockwell to market a range of jazz guitars under the name PATRICK JAMES EGGLE and a total of fifty guitars were built. Exhibits PJE5 and PJE6 which consist of two advertising leaflets and a brochure said to date from 2000 and 2002 respectively are provided in support;

- that during the same period twenty PATRICK JAMES EGGLE “DISCUS” electric guitars were built. Exhibit PJE7 consists of an article from Guitarist magazine said to date from April 2003 in support;
- that he moved to the USA in 2003 during which time he continued to build and sell a range of guitars under his name PATRICK JAMES EGGLE, in particular a range of acoustic guitars which were sold through both a network of US retailers and directly to customers. In 2004, a Japanese company Kanda Shokai Corporation placed an order for thirty six of these guitars;
- that in 2005 he returned to the UK and continued to design and build guitars within the premises of Barnes & Mullins Ltd in Oswestry. He explains that to maintain their exclusivity no more than fifteen acoustic guitars a month were produced under the name PATRICK JAMES EGGLE and adds that these guitars received considerable press attention:
- that in August 2006 he was joined by Robin King to handle marketing activities for Patrick James Eggle Guitars Limited; both are directors of the company. He states that from 2006 to the date of his statement, he has continued to design and manufacture guitars which have been sold under his name PATRICK JAMES EGGLE. Exhibit PJE8 consists of an article from Guitar Buyer magazine dated September 2006 in relation to the Saluda Maple Leaf guitar from Patrick James Eggle, exhibit PJE9 consists of an article from Guitar and Bass magazine from January 2007 featuring the name Patrick James Eggle and exhibit PJE10 is described as comprising “current advertising materials..” which shows the name Patrick James Eggle presented in a variety of different formats;
- that guitars bearing the name PATRICK JAMES EGGLE have been exhibited at numerous musical instrument shows and exhibitions throughout the world such as: The London Guitar Show 2006/2008, NAMM (US) 2004/2007, Shanghai Guitar Show 2006/2007, “various Northern Guitar Shows” 2007/2008, Cheltenham Acoustic Show 2007, Stamford Guitar Festival 2002/2003 and at various musical instrument retailer shows;
- that he is aware that Mr Tilley acquired his former company Patrick Eggle Guitars Limited and that meetings have been held between Mr Tilley and Mr King to discuss the possibility of a collaboration. Exhibit PJE11 consists of a copy of a letter from Mr King to Mr Tilley, dated 10 November 2006 in which Mr King says, inter alia:

“..But that aside, after much discussion with Patrick it has opened up considerable interest to establish further dialogue with your good self..”
- that he met with Mr Tilley and Mr King on 20 August 2007 to again discuss the possibility of collaboration. Exhibit PJE12 consists of minutes of that meeting;

- that a further meeting between the three was held on 6 September 2007; exhibit PJE13 consists of the minutes of that meeting; I will return to these documents later in this decision;
- that a further meeting between the three was held on 8 October 2007 and further telephone conversations were held but no successful collaboration was reached.

9) Mr Eggle concludes his statement in the following terms:

“In establishing the PATRICK JAMES EGGLE brand, one of the main purposes of the marketing campaign has been to demonstrate that I am the person responsible for designing and building the guitars in question which are of the highest quality.

My names PATRICK EGGLE and PATRICK JAMES EGGLE have become synonymous with guitars and my company and I have established a substantial reputation in the music industry both in the United Kingdom and throughout the world in relation to the names. It is very much the custom of the trade that a luthier uses his or her name for their work.”

APPLICANT’S EVIDENCE

10) This consists of a witness statement, dated 24 October 2008, from Gordon James Tilley. The following information emerges from his statement:

- that in 2002 he purchased the trade marks “Eggle” (No: 2007817) and “Patrick Eggle Guitars” and device (CTM No: 150169). Exhibit GJT1 consist of an invoice dated 8 January 1997 in the amount of £17,625 and headed, inter alia: “Re Pavilion Direct Marketing Limited in Administrative Receivership... c/o Poppleton & Appleby” to Musical Exchanges Limited. I note that the invoice is in respect of:

“To sale of the Stocks of Materials, Work in Progress and Tooling owned by the above named company, as agreed and inspected, together with such right title and interest that the Company has in any trade names, including but not restricted to “Eggle” and “Patrick Eggle...”I also note that the invoice bears the following handwritten annotation: “CHQ NO. 704830 8/1/97.”;

- exhibit GJT2 consists of the first page of a document headed Trade Mark Assignment and which is dated 30 September 2002. The document suggests that the Assignor Musical Exchanges Limited who are described as the proprietor and beneficial owner of the registered trade mark set out in the schedule has by an agreement made on 24 May 2002 agreed to assign the trade mark to the Assignee Gordon Tilley for the consideration of £1. This document is incomplete. A similarly incomplete document was filed with Mr Tilley’s counterstatement. However, that document did include a copy of a Schedule which I note refers to CTM 150169;

- that in 1994 Patrick James Eggle sold the rights to the use and registration of his name as a trade mark to Gaveston Ltd t/a “Patrick Eggle Guitars”, which he says subsequently became Pavilion Direct Marketing Ltd. Exhibit GJT4 consist of a letter dated 14 April 1994 from the firm of Laurence Shaw (trade mark attorneys) to Andrew Selby at Patrick Eggle Guitars in relation to UK trade mark application No. 1546655 for the trade mark PATRICK EGGLE filed it would appear in the name of Gaveston Limited which reads:

“The only other requirement that the Examiner has requested is that we provide some evidence that PATRICK EGGLE, the person, consents to the use of his name by the company.”

- exhibit GJT5 consists of a letter to the UK TMR dated 19 April 1994 in connection with No: 1546655 which reads:

“I, Patrick Eggle, a British subject of 11 Dalkeith Road, Harpenden, Herts A11 5PP, hereby consent to the use and registration of my name, PATRICK EGGLE, as a trade mark in Class 15 covering “musical instruments and parts and fittings therefor: all included in Class 15” as per application No. 1546655 filed on September 3, 1993.

Yours faithfully

PATRICK EGGLE”

- that Patrick James Eggle relinquished all rights to the use of his name “Patrick Eggle”, “Eggle” and all variations of the name;
- exhibits GJT6 and GJT7 consist of extracts from the 1995 Business Plan of Patrick Eggle Music Company Ltd. It is not necessary for me to summarise these documents here but I will keep them in mind when reaching a decision;
- that following Patrick James Eggle’s departure from the company he was told that he could not use his name for any future trade in the manufacture of guitars, and he was reminded that he had signed “an authority of release to agree to the use of his name as a company registered trade mark.” Exhibits GJT8 and GJT9 consist of letters dated 27 July and 6 September 1994 from Andrew Selby at Patrick Eggle Guitars (GJT8) and Blade-Eggle (GJT9) to Mr Eggle (at his home) which deal with, inter alia, the trade mark issues mentioned;
- exhibit GJT10 consists of a letter dated 11 May 1995 from Mr Selby to Mr Eggle at Modus Music Products which I note is marked “Strictly Private and Confidential”. I note that this letter again discusses the use by Mr Eggle of his name in the context of use by Redwing Guitars;
- exhibits GJT11 to GJT13 are the without prejudice documents I referred to in paragraph 7 above. GJT11 consists of a letter dated 17 May (I presume 1995) from Mr Selby at

Patrick Eggle Guitars to Graham Bruce (I presume at Redwing Guitars). Exhibits GJT12 and 13 consist of a two page letter dated 19 December 1995 from Peter Goalby of Patrick Eggle Guitars to Dick Verkuil of Redwing, once again in the context of the use by Mr Eggle of his name;

- exhibit GJT14 consists of an e-mail dated 28 July 2004 from John Hepworth of Hepworth Lawrence Bryer & Bizley to GJT in connection with the use by Mr Eggle of the name Patrick James Eggle at an exhibition held in the US in 2004;
- exhibit GJT 15 consists of a letter from Mr Tilley on Patrick Eggle Guitars letter headed paper to Patrick James Eggle Guitars Ltd dated 19 October 2007 in which the ownership of the name is discussed;
- exhibit GJT16 consists of what is described as: “a small selection of company brochures promoting the brand, to show continued use of the trade mark “Patrick Eggle” from 1993 to date.” The exhibit consists of five pages, the first of which appears to date from 1996; the name Patrick Eggle appears on the page as does the following text: “Patrick Eggle and Berlin are registered trade marks of Pavilion Direct Marketing Ltd...” The second page contains a reference to “the 1995-96 FACTORY DIRECT range...” Pages three and four also appear to relate to the period 1995-96; the fifth page appears to be undated. All of the pages contain references to Patrick Eggle.

11) Mr Tilley concludes his statement in the following terms:

“Patrick James Eggle is attempting to capitalise on our development of the brand name “Patrick Eggle” as an individual and precedents have been set many times in our industry i.e. Leo Fender, Dean Guitars, Burns Guitars etc where the namesakes have not been allowed to use their own names for the sale and promotion of guitars nor have they been allowed to contest the use or renewal of the brand following the sale of the rights to that name.”

OPPONENT’S EVIDENCE IN REPLY

12) This consists of a further witness statement, dated 19 February 2009, by the same Patrick James Eggle mentioned above. Much of Mr Eggle’s statement consists of a commentary on GJT’s evidence the main points emerging from which are as follows:

- that Mr Tilley claims to have purchased UK trade mark No. 2007187 and CTM trade mark No. 150169 but there is no conclusive proof of the purchase;
- that CTM No. 150169 was registered in the name of Plexo to which no reference is made in the exhibits;
- that Plexo changed its name to Pavilion Direct Marketing Limited on 17 April 1996 and was dissolved on 26 December 2000 which is prior to the date of purchase claimed by Mr

Tilley. Exhibit PJE2 consists of an extract from the Companies House WebCheck database confirming the dates and name change mentioned;

- that UK trade mark No. 2007817 was originally registered in the name of Blade-Eggle Plc and was recorded as assigned to Plexo on 16 July 1996. It was further recorded as being assigned from Plexo Limited to Mr Tilley on 26 September 2007. As Plexo (under its new name Pavilion Direct Marketing Limited) was dissolved on 26 December 2000, the 2007 assignment to Mr Tilley cannot be valid. Exhibit PJE3 consists of extracts from the database of the UK TMR confirming the assignment details mentioned;
- that the instant application is recorded as being assigned from Plexo to Mr Tilley on 26 September 2007. As Plexo/Pavilion was dissolved on 26 December 2000 the 2007 assignment cannot be valid. Exhibit PJE4 consists of extracts from the database of the UK TMR confirming the assignment details mentioned;
- that he did give consent to the use and registration of his name PATRICK EGGLE in relation to registration No. 1546655 filed in the name of Blade-Eggle Plc as he was employed by and working with the company at that time. He adds that the letter was one of consent and not a relinquishment of his right to use his name as claimed by Mr Tilley;
- that trade mark No. 1546655 has now expired. Exhibit PJE5 consists of extracts from the database of the UK TMR confirming the position;
- that Blade-Eggle Plc was dissolved on 30 November 1996. Exhibit PJE6 consists of an extract from the Companies House WebCheck database confirming this to be the case;
- that the letters provided as exhibits GJT8 and 9 to GJT's statement do not state that he could not continue to use his name. The consent confirms that the right to use his name was his in the first place and that his consent was required to enable the company to use his name;
- exhibit PJE7 consists of a "To whom it may concern" letter from Andrew Selby dated 17 February 2009. It deals with a range of issues including the use of the Patrick Eggle name. Given its importance to these proceedings a copy of the letter in full is shown as an Annex to this decision. I shall comment on the nature of "To whom it may concern" letters later in this decision.

13. Mr Eggle concludes his statement in the following terms:

"[Mr Tilley] does not appear to have demonstrated any entitlement to use and registration of the present application or indeed any trade mark which includes my name..."

DECISION

14) The opposition is based upon sections 3(6) and 5(4)(a) of the Act. I shall first consider the ground of opposition under Section 5(4) which reads:

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

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

(b)....

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

15) In deciding whether the mark in question offends against this section, I intend to adopt the guidance given by the Appointed Person, Mr Geoffrey Hobbs QC, in the *WILD CHILD* case [1998] RPC 455. In that decision Mr Hobbs stated that:

“The question raised by the grounds of opposition is whether normal and fair use of the designation WILD CHILD for the purposes of distinguishing the goods of interest to the applicant from those of other undertakings (see section 1(1) of the Act) was liable to be prevented at the date of the application for registration (see Article 4(4)(b) of the Directive and section 40 of the Act) by enforcement of rights which the opponent could then have asserted against the applicant in accordance with the law of passing off.

A helpful summary of the elements of an action for passing off can be found in Halsbury’s Laws of England (4th Edition) Vol. 48 (1995 reissue) at paragraph 165. The guidance given with reference to the speeches in the House of Lords in *Reckitt & Colman Products Ltd v. Borden Inc.* [1990] R.P.C. 341 and *Erven Warnink BV v. J. Townend & Sons (Hull) Ltd* [1979] AC 731 is (with footnotes omitted) as follows:

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

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

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

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

The restatement of the elements of passing off in the form of this classical trinity has been preferred as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House. This latest statement, like the House’s previous statement, should not, however, be treated as akin to a statutory definition or as if the words used by the House constitute an exhaustive, literal

definition of passing off, and in particular should not be used to exclude from the ambit of the tort recognised forms of the action for passing off which were not under consideration on the facts before the House.’

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

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

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

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

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

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

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

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

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

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

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

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

16) I also note the comments of Pumfrey J in *South Cone Incorporated v JackBessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* case, in which he said:

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

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

17) I must also keep in mind the comments of Mr Justice Floyd in *Minimax GMBH & Co KG and Chubb Fire Limited* [2008] EWHC 1960 (Pat) in which he says of the above:

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

18) The date at which the matter must be judged is not entirely clear from Section 5(4)(a) of the Act. This provision is clearly intended to implement Article 4(4)(b) of Directive 89/104/EEC. It is now well settled that it is appropriate to look to the wording of the Directive in order to settle matters of doubt arising from the wording of equivalent provisions of the Act. The relevant date may therefore be either the date of the application for the mark in suit (although not later), or the date at which the acts first complained of commenced – as per the comments in *Cadbury Schweppes Pty Limited v. The Pub Squash Co Pty Ltd* [1981] RPC 429. The applicant has not claimed to have used the mark themselves, and so the date of application for the mark must be considered which is 1 April 1996 as the mark retains its original filing date.

19) With these considerations in mind I turn to assess the evidence filed on behalf of the parties in the present proceedings as set out earlier in this decision. When considering the evidence filed, I take into account Tribunal Practice Notice (TPN) 1 of 2008 which deals with: “Correspondence solicited for proceedings”. This reads as follows:

“1. The Registrar has noted an increasing trend for evidence to be filed in the form of letters from third parties solicited by the parties to the proceedings. Typically, it is the Registrar’s experience that such letters are headed “To whom it may concern”, or even addressed to the Registrar, whilst others are less obvious in format. The procedures for filing evidence in trade mark proceedings before the registrar is governed by rule 55 of the Trade Marks Rules (2000) as amended. The rule states:

“(1) Where under these Rules evidence may be admitted by the registrar in any proceedings before her, it shall be by the filing of a statutory declaration or affidavit.

(2) The registrar may in any particular case take oral evidence in lieu of or in addition to such evidence and shall, unless she otherwise directs, allow any witness to be cross-examined on his statutory declaration, affidavit or oral evidence.

(3) Where these Rules provide for the use of an affidavit or statutory declaration, a witness statement verified by a statement of truth may be used as an alternative; the Registrar may give a direction as she thinks fit in any particular case that evidence must be given by affidavit or statutory declaration instead of or in addition to a witness statement verified by a statement of truth.

(4) The practice and procedure of the High Court with regard to witness statements and statements of truth, their form and contents and the procedure governing their use are to apply as appropriate to all proceedings under these Rules.

(5) Where in proceedings before the registrar, a party adduces evidence of a statement made by a person otherwise than while giving oral evidence in the proceedings and does not call that person as a witness, the registrar may, if she thinks fit, permit any other party to the proceedings to call that person as a witness and cross-examine him on the statement as if he had been called by the first-mentioned party and as if the statement were his evidence in chief.”

2. Letters of the kind described above are not therefore a suitable means of introducing statements made by the person signing such a letter as his or her evidence in the proceedings. This is because such letters do not comply with the requirements of Rule 55(1) or (3).

3. Where such a letter is relied upon by a witness and attached as an exhibit to his or her affidavit, statutory declaration or witness statement, the statements of the person signing the letter are normally admissible as part of the evidence of the person making the affidavit, statutory declaration or witness statement. However, in these circumstances statements made by the person signing the letter are hearsay evidence.

4. Hearing Officers will give hearsay evidence of this kind such weight as it deserves. Statements made in letters which have been sent to a party for a purpose unconnected with the proceedings are, in general, likely to be given more weight than statements made in letters solicited for the purpose of the proceedings. However, each case will be assessed on its own merits.”

20) The evidence of Mr Eggle is far from comprehensive. He appears to have missed a number of crucial aspects in his evidence, such as agreeing for his name to be registered as a trade mark, his relationship with the companies that filed trade marks and that his use subsequently has been challenged by the owners of the trade marks at various times and accommodations reached. As best as I can ascertain the following are the relevant events:

- 3 September 1993: UK Trade mark application 1546655 filed by Gaveston Ltd t/a Patrick Eggle Guitars in relation to the trade mark “PATRICK EGGLE. It would appear that Gaveston Ltd changes its name to Blade-Eggle Plc in January 1995.
- 19 April 1994: Mr Eggle wrote to the Registry confirming that he gave consent to his name being registered. At the time Mr Eggle was working for the company.
- 16 January 1995: Blade Eggle Plc applied for UK trade mark 2007817 for the mark “Eggle”.
- 1 April 1996: CTM 150169 for the mark “Patrick Eggle Guitars & device” filed by Plexo Limited. It is not clear who this company is, or who its director’s were, although it is based in Coventry. It coincides with the time when Mr Eggle was working with Robert van de Ende in Holland.
- 17 April 1996: Plexo Limited changes its name to Pavillion Direct Marketing Ltd.
- 24 June 1996: Trade marks 1546655 and 2007817 assigned from Blade-Eggle to Plexo.

- 30 November 1996: Blade-Eggle dissolved.
- 8 January 1997: Receivers (Poppleton & Appleby) sell Pavillion Direct Marketing Ltd to Musical Exchanges Ltd.
- 26 December 2000: Pavillion Direct Marketing Ltd dissolved.
- Musical Exchanges Ltd sell marks to Mr Tilley. The assignment would appear to be between Plexo Ltd and Mr Tilley on this date (PJE3 &4).
- 29 December 2006 request to convert CTM 150169 to a UK application.

21) Mr Eggle states that the applicant cannot have had the marks assigned legally as at various stages companies have been dissolved prior to assignments being made. However, it is relatively commonplace for a company to purchase another and then swap the names of the two legal entities. It is also not unusual for company names to be reused. None of the evidence provided shows the history of each legal entity by reference to its number. It is therefore inconclusive and I have to consider the case on the balance of probabilities. In the instant case a legally registered European mark has sought to be redesignated as a UK trade mark. There is nothing to suggest that the registration or the various assignments are invalid.

22) Whilst Mr Eggle has provided details of guitars built and sold under his various ventures it would appear that in each instance although his name appeared on the guitar it was not he to whom the goodwill accrued but the company for who he was working at the time. He has not shown that he has any goodwill in his own name, as a manufacturer of guitars. There is also considerable doubt that the use of his name after his break with Galveston Ltd/ Blade-Eggle plc was legal. I note that Mr Selby attempted to get Mr Eggle to stop using his name as he had provided written consent for the mark to be registered and had therefore given up his rights to the mark even though it is his own name. The fact that Mr Selby has now rowed back somewhat from his earlier stance, may have more to do with the fact that he is no longer financially involved.

23) Mr Eggle did file items of correspondence from others in the trade but these are not conclusive and must be regarded as hearsay evidence as they are not in the form of witness statements or affidavits. However, I do note that in two sets of minutes produced by Mr Eggle, at exhibits PJE12 & 13, dealing with meetings between himself and Mr Tilley, also present was Mr

Eggle's business partner Robin King. The notes are provided to show that the applicant was aware of the opponent's reputation as a luthier. They do contain two interesting paragraphs which are as follows:

Para 2 PJE12: "following initial pleasantries, Patrick started the discussion by stating that he his [sic] constantly asked to make electric guitars, but due to the understanding/agreement of his departure from Patrick Eggle Guitars he does not wish to breach those terms."

Para 4 PJE13: "Patrick made it clear at this point that the only interested [sic] from PJE would be the use of the name and the trademarks, and obviously the right to produce the models. This again reopened the discussions on the trademark registration which are [sic] still in the name of Plexo Limited. Gordon stated categorically that he had the sole right to all the names and trademarks and had the necessary documentation to support this."

24) Taking all of the evidence into consideration I do not believe that Mr Eggle has shown that he had goodwill under the name "Patrick Eggle" or "Patrick James Eggle" at the relevant date of 1 April 1996. The opposition under the ground of section 5(4)(a) therefore fails.

25) I now turn to the ground of opposition under Section 3(6) which reads:

"3(6) A trade mark shall not be registered if or to the extent that the application is made in bad faith."

26) Section 3(6) has its origins in Article 3(2)(d) of the Directive, the Act which implements Council Directive No. 89/104/EEC of 21 December 1988 which states:

"Any Member State may provide that a trade mark shall not be registered or, if registered, shall be liable to be declared invalid where and to the extent that....

(c) the application for registration of the trade mark was made in bad faith by the applicant."

27) The Directive gives no more clue as to the meaning of "bad faith" than the Act. Subsequent case law has avoided explicit definition, but has not shirked from indicating its characteristics. In *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] RPC 367, Lindsay J stated at page 379:

"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.”

28) The Privy Council considered earlier authorities in *Barlow Clowes International Ltd (in liquidation) & Others v Eurotrust International Limited & Others*, [2005] UKPC 37. In particular, their Lordships considered a submission from Counsel that an inquiry into the defendant’s views about standards of honesty is required. The following passage from Lord Hoffman’s judgment sets out the position as follows:-

“14....Counsel for the defendant] relied upon a statement by Lord Hutton in *Twinsectra Ltd v Yardley* [2002] 2 AC 164, 174, with which the majority of their Lordships agreed:

“35. There is, in my opinion, a further consideration which supports the view that for liability as an accessory to arise the defendant must himself appreciate that what he was doing was dishonest by the standards of honest and reasonable men. A finding by a judge that a defendant has been dishonest is a grave finding, and it is particularly grave against a professional man, such as a solicitor. Notwithstanding that the issue arises in equity law and not in a criminal context, I think that it would be less than just for the law to permit a finding that a defendant had been ‘dishonest’ in assisting in a breach of trust where he knew of the facts which created the trust and its breach but had not been aware that what he was doing would be regarded by honest men as being dishonest.

“36. I consider that the courts should continue to apply that test and that your Lordships should state that dishonesty requires knowledge by the defendant that what he was doing would be regarded as dishonest by honest people, although he should not escape a finding of dishonesty because he set his own standards of honesty and does not regard as dishonest what he knows would offend the normally accepted standards of honest conduct.”

15.....Their Lordships accept that there is an element of ambiguity in these remarks which may have encouraged a belief, expressed in some academic writing, that *Twinsectra* had departed from the law as previously understood and invited inquiry not merely into the defendant’s mental state about the nature of the transaction in which he was participating but also into his views about generally acceptable standards of honesty. But they do not consider that this is what Lord Hutton meant. The reference to “what he knows would offend normally accepted standards of honest conduct” meant only that his knowledge of the transaction had to be such as to render his participation contrary to normally acceptable standards of honest conduct. It did not require that he should have had reflections about what those normally acceptable standards were.

16....Similarly in the speech of Lord Hoffmann, the statement (in paragraph 20) that a dishonest state of mind meant “consciousness that one is transgressing ordinary standards of honest behaviour” was in their Lordships’ view, intended to require consciousness of those elements of the transaction which make participation transgress ordinary standards of honest behaviour. It did not also require him to have thought about those standards were.”

29) On the basis of these authorities it is clear that a finding of bad faith may be made in circumstances which do not involve actual dishonesty. Furthermore, it is not necessary for me to reach a view on the applicant’s state of mind, if I am satisfied that his action in applying for the mark in the light of all the surrounding circumstances would have been considered contrary to normally accepted standards of honest conduct.

30) The opponent’s case would appear to be that the applicant was aware that the opponent had considerable reputation under his own name as a luthier, and that the opponent had been trading under his name for many years. Further, doubts were cast on the legality of the registration and the various transfers/assignments, such as whether companies were in existence at the time of assignments etc. The relevant date is the date of the application which is 1 April 1996. The applicant was a company called Plexo Limited. Mr Eggle had, from 1990 to 1995, worked for a company he had set up jointly with Mr Andrew Selby. There are conflicting claims as what the name of this company was, Mr Eggle referring to it as Patrick Eggle Guitars Limited whilst the name on the first trade mark application (1546655) in September 1993, and supported by Mr Eggle, was Gaveston Ltd which seems to have changed its name to Blade-Eggle shortly after the application was filed. It is clear therefore that any reputation and or goodwill during the period 1990-1995 would have accrued to Gaveston Ltd/Blade-Eggle Plc and not to Mr Eggle personally. It is also clear that he consented to these companies registering his name as a trademark. In his own notes of meetings he talks of not breaching the terms of his departure from these companies over the use of his name. In my opinion Mr Eggle has not shown that he has any reputation in his own name as a manufacturer of guitars, nor has he shown that the mark in suit was applied for and registered in bad faith. With regard to the issue of assignments and changes of name, there is a lack of detail in the evidence of both sides which leaves many questions. However, the onus is on the opponent to provide evidence which, prima facie, supports the allegation. This, the opponent has failed to do. The ground under Section 3(6) must therefore fail.

COSTS

31) The applicant is entitled to a contribution to his costs. He has represented himself during the course of this action. In *Adrenalin Trade Mark*, BL O/040/02, Simon Thorley Q.C. sitting as the Appointed Person on appeal, observed that:

“6. Under section 68 of the Trade Marks Act 1994, the Registrar is given a wide discretion to award costs. The principles upon which the Registrar will exercise that discretion are set out in a Tribunal Practice Note (TPN 2/2000 – see *Kerly’s Law of Trade Marks* 13th edition page 1009). In general the Registrar proceeds by reference to a scale of costs and it is a long established practice that costs in proceedings before the Registrar are not intended

to compensate parties for the expense to which they may have been put. Mr. Knight expressed the policy behind the scale of costs in his decision in this case as follows:

‘That scale of costs is meant to be a reasonable scale based upon the policy that no-one should be deterred from seeking to register their intellectual property rights or indeed defend their intellectual property rights so that, for example, if a litigant in person loses an action before the trade mark registry, he or she would know fairly clearly in advance the sum of money they may have to pay to the other side.’

7. Plainly however a pre-requisite of making an award of costs on the scale of costs is that the award should not exceed the costs incurred.

8. It is correct to point out that the Registrar’s practice on costs does not specifically relate to litigants in person but in my judgment it could not be that a litigant in person before the Trade Mark Registry could be placed in any more favourable position than a litigant in person before the High Court as governed by the CPR. The correct approach to making an award of costs in the case of a litigant in person is considered in CPR Part 48.6.

...

10. As indicated above, the Registrar is given a wide discretion as to costs. The practice note is, and is intended to be, merely guidance as to how the Registrar will, in general, exercise that discretion. It does not and cannot impose a fetter upon the overriding discretion.

11. Part 44.3 of the CPR sets out the circumstances which should be taken into account when a court exercises its discretion as to costs and in my judgment exactly the same principles apply to the Registrar.”

32) I also rely upon the comments of Richard Arnold QC, acting as the Appointed Person in South Beck B/L O/160/08 where he commented:

“34. The Registrar is not bound by the CPR. On the other hand, the Registrar is entitled to, and does, have regard to the CPR in exercising his powers in circumstances where the Trade Marks Act 1994 and Trade Marks Rules 2000 do not make specific provision. Section 68 of the 1994 Act and rule 60 of the 2000 Rules give the registrar discretion to “award to any party such costs as she may consider reasonable”, but do not place any constraints upon the exercise of that discretion. I agree with Mr Thorley that (i) an award of costs should not exceed the costs incurred and (ii) a litigant in person should not be in any more favourable position in proceedings in the Registry than he would be in High Court proceedings under CRP r. 48.6. So far as the first point is concerned, I note that paragraph 8 of TPN 4/2007 now states:

“Depending on the circumstances the Comptroller may also award costs below the minimum indicated by the standard scale. For example, the Comptroller will not normally award costs which appear to him to exceed the reasonable costs incurred by a party.”

35. Turning to the second submission, I agree with counsel for the opponent that the hearing officer appears to have misapplied CPR r. 48.6 and to have awarded the applicant two-thirds of the scale costs he would have awarded a professionally represented litigant without reference to the applicant's actual loss or any figure calculated in accordance with r. 48.6(4)(b).

36. In my judgment the approach which should be adopted when the Registrar is asked to make an award of costs in favour of a litigant in person is as follows. The hearing officer should direct the litigant in person pursuant to r. 57 of the 2000 Rules to file a brief schedule or statement setting out (i) any disbursements which the litigant claimed he has incurred, (ii) any other financial losses claimed by the litigant and (iii) a statement of the time spent by the litigant in dealing with the proceedings. The hearing officer should then make an assessment of the costs to be awarded applying by analogy the principles applicable under r. 48.6, but with a fairly broad brush. The objective should be to ensure that litigants in person are neither disadvantaged nor overcompensated by comparison with professionally represented litigants.

37. In the present case I directed the applicant to provide such a schedule. The applicant duly filed a schedule claiming in respect of the proceedings at first instance disbursements of £20 together with mileage of 310 miles. No specific mileage rate was claimed so I propose to apply a rate of 25p per mile, giving a figure of £77.50, making total disbursements of £97.50. The applicant also estimated that it had spent a total of 83 hours dealing with the first instance proceedings. While this seems quite a lot by professional standards, it is appropriate to allow a litigant in person more time for a particular task than a professional advisor would be allowed: *Mealing McLeod v Common Professional Examination Board* [2000] 2 Costs L.R. 223. At the rate of £9.25 an hour, 83 hours comes to £767.75. Accordingly, I shall set aside the hearing officer's costs order and substitute an order that the opponent pay the applicant the sum of £865.25 in respect of the first instance proceedings.

38. So far as the appeal is concerned, the applicant again claimed disbursements of £20 and mileage of 310 miles. It also estimated that it had spent 21 hours dealing with the appeal. Accordingly I shall order the opponent to pay the applicant the sum of £291.75 in respect of the appeal, making a total of £1157."

33) In accordance with these principles I direct the applicant to provide a brief schedule of costs setting out any disbursements incurred, any other financial losses claimed and a statement of the time spent in dealing with the proceedings. This should be submitted to the Registry, and copied to the applicant, within one month of the date of issue of this decision.

Dated this 5th day of August 2009

**G W Salthouse
For the Registrar
The Comptroller-General**