

O/225/12

TRADE MARKS ACT 1994

**IN THE MATTER OF REGISTRATION No. 2510775
STANDING IN THE NAME OF
TRIPLEU PRODUCTIONS**

AND

**IN THE MATTER OF A REQUEST FOR A DECLARATION
OF INVALIDITY THERETO UNDER No. 83838
BY STEPHEN GRYGELKO**

BACKGROUND

1) The following trade mark is registered in the name of TripleU Productions (hereinafter TUP):

Mark	Number	Filing and Registration Dates	Class	Specification
TRANNYSHACK	2510775	11.03.2009 / 12.06.2009	41	Services providing entertainment in the form of live musical performances; services providing entertainment in the form of recorded music; organisation of musical entertainment; organisation of pop music concerts; club [discotheque] services; club entertainment services.

2) By an application dated 28 July 2010, subsequently amended, Stephen Grygelko applied for a declaration of invalidity in respect of this registration. The grounds are, in summary:

a) Mr Grygelko contends that the mark in suit offends against Section 3(6) because:

“(i) The proprietor of the mark in suit is not now and was not at the date of filing either a real person or a legal entity. The application for the mark in suit was thus originally filed in bad faith, because the proprietor lacked proper entitlement to ownership of the mark.

(ii) At the date of filing of the application for the mark in suit, the proprietor, or at least the person or persons behind the proprietor, were well aware of the ownership, use and repute of the mark in suit by the applicant for invalidity in the United States and of the terms and conditions under which the applicant was prepared to allow use of the mark in the UK. The application for the mark in suit was filed in breach of those terms and conditions and was thus filed in bad faith.”

3) Mr Walt Utz/TUP provided a counterstatement, dated 14 October 2010, in which he states:

“TripleU Productions Limited is a registered company (Reg. No. 07106241) and was at the time of registering the trademark, operating as a sole trader. I feel that the comment “The proprietor of the mark in suit is not now and was not at the date of filing either a real person or a legal entity” is incorrect and should therefore not be valid as a claim for invalidation.

Furthermore, at the date of filing of the application for the mark in suit, we were aware that Mr Grygelko was owner [sic] of the name “Trannyshack”, but he, on several occasions, verbally confirmed that this was only in the United States of America. There were no “terms and conditions” outlined by Mr Grygelko and the use of the UK version of the name was endorsed by Grygelko on his website and by accepting performance invitations at the UK version over a four year period. No firm

commitment was ever requested by Mr Grygelko and in 2009, due to the economic downturn and closure of one venue, we were unable to bring him to the UK, however plans were already being made for an engagement in 2010, this however was not pursued due to Mr Grygelko's actions against our registration in suit.

Registering the trade mark in the UK was not done in bad faith against Mr Grygelko, but in response to a night club promoter in the UK wanting to start a night with the same name, without using the London version's concept and performers."

4) Both sides filed evidence. Both ask for an award of costs. The matter came to be heard on 1 May 2012. The registered proprietor was represented by Mr Utz. A request was granted to cross examine Mr Grygelko, however four days prior to the hearing it was confirmed that he would not be attending to be cross examined upon his evidence and that he would not be represented at the hearing but would rely upon written submissions. I shall refer to these written submissions as and when required.

EVIDENCE OF TRIPLEU PRODUCTIONS

5) Mr Walter Utz filed an affidavit dated 27 April 2011. He states that he is a director of TripleU Productions Limited and has been since its incorporation in 2006. He states that it is a promotions company, and that one of its events is "Trannyshack", a drag queen performance evening which occurs weekly at Madame Jo Jo's in London, and has been since January 2009, prior to which it was at the Soho Revue Bar from September 2005. He states that TUP in conjunction with Madame Jo Jo's have invested considerable time and resources on promoting the Trannyshack drag queen event. He states that since its inception in 2005 there have been 52 shows a year, with Stephen Grygelko appearing at four on 5 April 2006, 18 October 2006, 17 October 2007 and 28 January 2009. He states that he has never been approached by consumers under the impression that the show was connected to Mr Grygelko, and that Mr Grygelko has been aware of his use since 2005 and has made no attempt until now to prevent use of the mark in suit. He also provides the following exhibits:

- WU1: A range of posters for events under the name Trannyshack. For the most part these are not dated but there are some which do have dates and these range between 29.03.06 and 17.03.10. All relate to drag queen shows.
- WU2: These would appear to be the costs for virtually every Wednesday show from 20 May 2009 – 3 November 2010. Each shows Mr Utz's name and address, the name of Madame Jo Jo's and the "stage name" of TRANNYSHACK. It then lists the individuals and the amount to be paid e.g. DJ/host, DJ, Door Host, Stage manager, pole dancers and prize money. However, there are certain issues with these invoices. The invoice at WU2-8 has the date 7 October 2009 at the top but later shows the date of Wed 10 October 2009 (this date was a Saturday). WU2-3 shows a date of 2 December 2009 at the top but 1 December 2009 later on. WU2-25 has 23 December 2009 at the top but 16 December 2009 later on. WU2-72 shows both dates as 18 February 2010 and shows this as a Wednesday, but this date was a Tuesday. There are two invoices for 7 July 2010. One shows a total cost of £680, the other £1330. Four of the names paid are the same, but there are differences in other names. WU2-68 and WU2-77 both show the same dates of 13 October 2010. However, page 68 shows 8 performers being paid a total of £805,

whereas page 77 shows eight performers being paid £1,830. The first six names on each list and the amounts paid to these performers are identical but the last two names on each invoice differ as do the amounts paid to these persons. Wu2-66 and WU2-70 both relate to 8 December 2010 both show a total of £830 being paid, but only the details for three of the names and amounts paid for three persons are identical. Also included in this exhibit are other exhibits for posters. However, most of these are after the relevant date.

EVIDENCE OF MR GRYGELKO

6) Mr Grygelko filed an affidavit dated 1 June 2011 who claims that he invented the term TRANNYSHACK in 1994 and that he uses it as the name of a drag queen show that he founded, although he himself appears under the name Heklina. He states that he has used the term TRANNYSHACK in San Francisco since 1996. He states that he has taken his Trannyshack show to other cities in the world, including on five occasions, London. The first three times he used the name in London were all in 2006, once in October 2007 and once in January 2009. He claims to have performed at other venues but does not provide specific details such as dates or addresses.

7) Mr Grygelko claims that he is well known on the West Coast of the USA and that as the gay community is fairly mobile he states that drag performers with a certain level of notoriety in the US quite quickly become familiar to people in the UK. He states that he first came across Mr Utz in 2005 when the discovery that Mr Utz was using Trannyshack halted plans for Mr Grygelko to bring his Trannyshack show to London. He states that he never gave Mr Utz prior permission to use the name. He also provides the following exhibits:

- SG1 he provides copies of flyers for some of these performances. Three appear to relate to shows and one to a film about Mr Grygelko's club in the USA. Two of the three performances are clearly use of the term TRANNYSHACK by TUP which simply feature Mr Grygelko.
- SG2: Copies of pages from magazines. Three are clear references to Mr Grygelko appearing as Heklina in the London Trannyshack, although there is a mention in one article about Trannyshack San Francisco. Two are dated October 2007, whilst the third relates to October 2006. The last is dated 1 April 2006 and is an interview with Heklina. It states "See Heklina in Filthy Gorgeous, The Trannyshack story as part of the 20th London Lesbian and Gay Film Festival.. She's performing afterwards at Trannyshack at Horse Meat Disco."

8) The applicant for invalidity also provides a witness statement, dated 10 January, by Mr Timothy George Pendered, the Trade Mark Attorney for the applicant. He states that TripleU Productions Limited was not registered until 16 December 2009, after the filing date of the application in suit. At exhibit TGP1 he provides a print out from Companies House to support this. He also provides a copy of Mr Grygelko's affidavit and exhibits which are identical to those summarised above.

EVIDENCE IN REPLY OF TRIPLEU PRODUCTIONS

9) This consists of an affidavit, dated 19 March 2012, by Mr Utz, who has provided evidence earlier in this case. He states that “I am also the Director of Triple U Productions Limited and have been since its inception in 2006.” He points out that Mr Grygelko’s US registration for the mark Trannyshack was cancelled on 17 September 2010.

10) That concludes my review of the evidence. I now turn to the decision.

DECISION

11) Section 47 of the Trade Marks Act 1994 reads:

“47.-(1) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 3 or any of the provisions referred to in that section (absolute grounds for refusal of registration).

12) It is contended that the mark was registered in bad faith in breach of 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.”

13) 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.”

14) In case O/094/11 [*Ian Adam*] Mr Hobbs Q.C. acting as the Appointed Person summed up the bad faith test in the following manner:

“31. The basic proposition is that the right to apply for registration of a trade mark cannot validly be exercised in bad faith. The invalidity of the application is not conditional upon the trade mark itself being either registrable or unregistrable in relation to any goods or services of the kind specified. The objection is absolute in the sense that it is intended to prevent abusive use of the system for acquiring title to a trade mark by registration. Any natural or legal person with the capacity to sue and be sued may pursue an objection on this ground: see the Judgment of the Court of Justice in Case C-408/08P Lancôme parfums et beauté & Cie SNC v. OHIM [2010] ECR I-00000 at paragraph [39] and the Opinion of Advocate General Ruiz-Jarabo Colomer at paragraphs [63] and [64]. Since there is no requirement for the objector to be personally aggrieved by the filing of the application in question, it is possible for an objection to be upheld upon the basis of improper behaviour by the applicant towards persons who are not parties to the proceedings provided that their position is established with enough clarity to show that the objection is well-founded.

32. Any attempt to establish bad faith must allow for the fact that there is nothing intrinsically wrong in a person exercising *'the right to apply the rules of substantive and procedural law in the way that is most to his advantage without laying himself open to an accusation of abuse of rights'* as noted in paragraph [121] of the Opinion delivered by Advocate General Trstenjak in Case C-482/09 Budejovicky Budvar NP v. Anheuser-Busch Inc on 3 February 2011. In paragraph [189] of his judgment at first instance in Hotel Cipriani SRL v. Cipriani (Grosvenor Street) Ltd [2009] EWHC 3032 (Ch); [2009] RPC 9 Arnold J. likewise emphasised:

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

These observations were not called into question in the judgment of the Court of Appeal in that case: [2010] EWCA Civ 110; [2010] RPC 16. They were reaffirmed by Arnold J. in Och-Ziff Management Europe Ltd v. Och Capital LLP [2011] ETMR 1 at paragraph [37].

33. The line which separates legitimate self-interest from bad faith can only be crossed if the applicant has sought to acquire rights of control over the use of the sign graphically represented in his application for registration in an improper manner or for an improper purpose. The appropriate remedy will in that case be rejection of the offending application for registration to the extent necessary to render it ineffective for the purpose which made it objectionable in the first place.

34. In a case where the relevant application fulfils the requirements for obtaining a filing date, the key questions are: (1) what, in concrete terms, is the objective that the applicant has been accused of pursuing? (2) is that an objective for the purposes of which the application could not properly be filed? (3) is it established that the application was filed in pursuit of that objective? The first question serves to ensure procedural fairness and clarity of analysis. The second question requires the decision taker to apply a moral standard which, in the absence of any direct ruling on the point from the Court of Justice, is taken to condemn not only dishonesty but also *'some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area*

being examined: Gromax Plasticulture Ltd v. Don & Low Nonwovens Ltd [1999] RPC 367 at 379 (Lindsay J). The third question requires the decision taker to give effect to the principle that innocence must be presumed in the absence of evidence sufficient to show that the applicant has acted improperly as alleged.

35. In assessing the evidence, the decision taker is entitled to draw inferences from proven facts provided that he or she does so rationally and without allowing the assessment to degenerate into an exercise in speculation. The Court of Justice has confirmed that there must be an overall assessment which takes into account all factors relevant to the particular case: Case C-529/07 Chocoladefabriken Lindt & Sprüngli AG v. Franz Hauswirth GmbH [2009] ECR I-4893 at paragraph [37]; Case C-569/08 Internetportal und Marketing GmbH v. Richard Schlicht [2010] ECR I-00000 at paragraph [42]. As part of that assessment it is necessary as part of that approach to consider the intention of the applicant at the time when the application was filed, with intention being regarded as a subjective factor to be determined by reference to the objective circumstances of the particular case: Chocoladefabriken Lindt & Sprüngli GmbH (above) at paragraphs [41], [42]; Internetportal and Marketing GmbH (above) at paragraph [45]. This accords with the well-established principle that 'national courts may, case by case, take account -on the basis of objective evidence -of abuse or fraudulent conduct on the part of the persons concerned in order, where appropriate, to deny them the benefit of the provisions of Community law on which they seek to rely': Case C16/05 The Queen (on the applications of Veli Tum and Mehmet Dari) v. Secretary of State for the Home Department [2007] ECR I-7415 at paragraph [64].

36. The concept of assessing subjective intention objectively has recently been examined by the Court of Appeal in the context of civil proceedings where the defendant was alleged to have acted dishonestly: Starglade Properties Ltd v. Roland Nash [2010] EWCA Civ 1314 (19 November 2010). The Court considered the law as stated in Royal Brunei Airlines v. Tan [1995] 2 AC 378 (PC), Twinsectra Ltd v Yardley [2002] 2 AC 164 (HL), Barlow Clowes International Ltd v. Eurotrust International Ltd [2006] 1 WLR 1476 (PC) and Abu Rahman v. Abacha [2007] 1 LL Rep 115 (CA). These cases were taken to have decided that there is a single standard of honesty, objectively determined by the court and applied to the specific conduct of a specific individual possessing the knowledge and qualities that he or she actually possessed: see paragraphs [25], [28], [29] and [32]. This appears to me to accord with treating intention as a subjective factor to be determined by reference to the objective circumstances of the particular case, as envisaged by the judgments of the Court of Justice relating to the assessment of objections to registration on the ground of bad faith."

15) In terms of the date at which the matter falls to be considered, it is well established that the relevant date for consideration of a bad faith claim is the application filing date or at least a date no later than that (Chocoladefabriken Lindt & Sprüngli AG v. Franz Hauswirth GmbH [2009] ECR I-4893; Hotpicks Trade Mark, [2004] RPC 42 and Nonogram Trade Mark, [2001] RPC 21).

16) The first aspect to be considered is the legal standing of the registered proprietor. From the evidence filed by Mr Grygelko it is clear that TripleU Productions Limited was not incorporated until after the date that the application was submitted. At the hearing it

became obvious that Mr Utz, when referring to “incorporation” in his evidence, meant when he started his company i.e. when he was a sole trader trading as TripleU Productions which then became a limited company with Mr Utz as the sole director. In his mind it was one and the same, although legally this is clearly not the case. Mr Utz should have stated this on the application form and so he will file a rectification request to amend the current registration details and instead substitute Mr Walt Utz t/a TripleU Productions. This will overcome the issue of a legal entity being the registered owner. This action has been taken and approved.

17) I now onto consider the question of whether the mark in suit was applied for in bad faith as Mr Utz was aware of the use of the mark in the USA by Mr Grygelko. It is clear from the evidence that the term “trannyshack” was invented by Mr Grygelko and that MR Utz was aware that Mr Grygelko used the name in San Francisco in relation to a drag queen show. However, Mr Grygelko’s claims regarding reputation in the UK have not been corroborated in his evidence and his claims must be treated with little weight due to his failure to attend and be cross examined. I do not accept that Mr Grygelko had any reputation in the UK under the mark in suit.

18) The question that remains is whether Mr Utz acted in bad faith by using, in the UK, a trade mark that he knew was in use in San Francisco? Mr Grygelko had appeared in London under his stage name but he has not shown that he had any plans to expand his activities as a promoter, and promote a drag queen show under the mark in suit in London. Indeed, it is not established that he promoted shows under the mark on a regular basis in the USA, although he did have the mark registered in the USA. Nor has he shown that it is normal for promoters of such shows to expand the brand into new countries or even to franchise the brand. I also take note of the fact that he appeared on at least two occasions at Mr Utz’s “Trannyshack” shows in London. Mr Grygelko merely appearing under his stage name of Heklina. I find his decision to appear at Mr Utz’s show and then to use that appearance as part of his own promotion curious and inconsistent with the application for invalidity. Taking all of the above into account I find that the mark was not applied for in bad faith and the ground of invalidity under Section 3(6) fails.

CONCLUSION

19) As Mr Utz has now filed a request for rectification which will amend the register to reflect that the mark was applied for by Mr Walt Utz trading as TripleU Productions, the invalidity action under Section 3(6) fails. Mr Utz’s mark therefore remains on the Register unaltered.

COSTS

20) The registered proprietor has been successful and he is therefore entitled to a contribution towards his costs. In making a costs award I take into account that Mr Utz represented himself.

Preparing a statement and considering the other side’s statement	£200
Preparing evidence and considering and commenting on the other side’s evidence	£300
Attendance at a hearing	£400
TOTAL	£900

21) I order Mr Stephen Grygelko to pay Mr Walt Utz the sum of £900. This sum 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 6th day of June 2012

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