

**O-480-15**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF AN APPLICATION  
UNDER NO 500649 BY SKALP UK LTD**

**TO CANCEL REGISTRATION NO 3018086  
FOR THE TRADE MARK**

**SKALP**

**STANDING IN THE NAME OF HIS HAIR CLINIC LTD**

## Background

1. Registration 3018086 is for the trade mark SKALP. It stands in the name of HIS Hair Clinic Ltd (“the registered proprietor”) having been filed on 14 August 2013, been published in the *Trade Marks Journal* on 6 September 2013 and been entered in the register on 15 November 2013. It is registered for the following goods and services:

### Class 3

Bleaching preparations and other substances for laundry use; cleaning, polishing, scouring and abrasive preparations; soaps; perfumery, essential oils, cosmetics, hair and skincare preparations; dentifrices and toiletries

### Class 16

Paper, cardboard and goods made from these materials, not included in other classes; printed matter; book binding material; photographs; stationery; adhesives for stationery or household purposes; artists’ materials; paint brushes; typewriters and office requisites (except furniture); instructional and teaching material (except apparatus); plastic materials for packaging (not included in other classes); printers’ type; printing blocks

### Class 41

Education; providing of training; entertainment; sporting and cultural activities; medical training services; training services relating to tattooing and cosmetic treatment and pigmentation services; consultation and advisory services relating to the aforesaid services

### Class 44

Medical services; veterinary services; hygienic and beauty care for human beings or animals; cosmetic treatment services; cosmetic pigmentation services; tattooing services; hair treatment services; consultancy and advisory services relating to the aforesaid services

2. On 13 October 2014, an application for cancellation of the registration was filed by Skalp UK Ltd (“the applicant”). The applicant claims the registration is invalid and bases its claim on objections under section 3(6) of the Trade Marks Act (“the Act”) on the grounds that it was applied for in bad faith and under section 3(1)(b) of the Act on the grounds that the mark is devoid of any distinctive character.

3. The registered proprietor filed a counterstatement in which it denies the claims made.

4. Both parties filed evidence which I will refer to as necessary in this decision but which consists of:

### Applicant’s evidence

A witness statement of Jason Piris, owner and director of the applicant company with exhibit JP1.

### Registered proprietor's evidence

A witness statement of Ian Watson, co-founder and Chairman of the registered proprietor, with exhibits IW1-10.

### Applicant's evidence in reply

A witness statement of Stephen Leach.

A second witness statement of Jason Piris with exhibit JP2.

5. The registered proprietor also filed written submissions. The matter came before me for a hearing on 6 October 2015. The registered proprietor was represented by Dr Dominic Murphy of Withers & Rogers LLP. The applicant was represented by Ms Barbara Cookson of Lucas & Co.

### **The objection under section 3(6) of the Act**

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

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

7. In its application for cancellation, the applicant puts its case thus:

“I have attached company timeline we believe that our competitor HIS hair Ltd maliciously and in bad faith registered our company name Skalp as their trademark so that they could prevent us from using it ourselves. This was done without any distinctive features or logo. His Hair have not opened a company nor have they traded until the name SKALP in the UK or anywhere else in the world. Our company Skalp UK Ltd was incorporated on 25<sup>th</sup> June 2013 SC453098. HIS hair are our direct competitor the chronology shows that our use started first and that HIS hair knew this and applied to register in bad faith in the knowledge of our prior rights. I have also attached the total refusal of HIS Hair LTD's application in the European community for the use of the name SKALP. This has been refused on the grounds of lack of distinctive features. I have attached details of this. They have also applied and been refused in the States. This was refused on the grounds of lacking distinctive features, the fact that they have no company in the worlds incorporated or trading under the name 'SKALP'. I have attached details of their refusal letter. We have made our own application in the United States, Europe, Brazil and Australia as we intend to trade in these countries. We have a company incorporated in Australia and in Europe and are in the process of incorporating in the States and Brazil. It's worth noting that HIS Hair Ltd specified a cosmetic registration trade mark (Class 3 goods and services) despite having no current offering in cosmetics. We have published from our inception that our cosmetic range is to follow. We are working closely with an organic skin care company to produce and launch our cosmetic range in the New Year.”

8. The registered proprietor denies it filed its application for registration in bad faith.

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

"130. A number of general principles concerning bad faith for the purposes of section 3(6) of the 1994 Act/Article 3(2)(d) of the Directive/Article 52(1)(b) of the Regulation are now fairly well established. (For a helpful discussion of many of these points, see N.M. Dawson, "Bad faith in European trade mark law" [2011] IPQ 229.)

131. First, the relevant date for assessing whether an application to register a trade mark was made in bad faith is the application date: see *Case C- 529/07 Chocoladenfabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH* [2009] ECR I-4893 at [35].

132. Secondly, although the relevant date is the application date, later evidence is relevant if it casts light backwards on the position as at the application date: see *Hotel Cipriani Srl v Cipriani (Grosvenor Street) Ltd* [2008] EWHC 3032 (Ch), [2009] RPC 9 at [167] and cf. *Case C-259/02 La Mer Technology Inc v Laboratoires Goemar SA* [2004] ECR I-1159 at [31] and *Case C-192/03 Alcon Inc v OHIM* [2004] ECR I-8993 at [41].

133. Thirdly, a person is presumed to have acted in good faith unless the contrary is proved. An allegation of bad faith is a serious allegation which must be distinctly proved. The standard of proof is on the balance of probabilities but cogent evidence is required due to the seriousness of the allegation. It is not enough to prove facts which are also consistent with good faith: see *BRUTT Trade Marks* [2007] RPC 19 at [29], *von Rossum v Heinrich Mack Nachf. GmbH & Co KG* (Case R 336/207-2, OHIM Second Board of Appeal, 13 November 2007) at [22] and *Funke Kunststoffe GmbH v Astral Property Pty Ltd* (Case R 1621/2006-4, OHIM Fourth Board of Appeal, 21 December 2009) at [22].

134. Fourthly, bad faith includes not only dishonesty, but also "some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined": see *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] RPC 367 at 379 and *DAAWAT Trade Mark* (Case C000659037/1, OHIM Cancellation Division, 28 June 2004) at [8].

135. Fifthly, section 3(6) of the 1994 Act, Article 3(2)(d) of the Directive and Article 52(1)(b) of the Regulation are intended to prevent abuse of the trade mark system: see *Melly's Trade Mark Application* [2008] RPC 20 at [51] and *CHOOSI Trade Mark* (Case R 633/2007-2, OHIM Second Board of Appeal, 29 February 2008) at [21]. As the case law makes clear, there are two main classes of abuse. The first concerns abuse vis-à-vis the relevant office, for example where the applicant knowingly supplies untrue or misleading information in support of his application; and the second concerns abuse vis-à-vis third parties: see *Cipriani* at [185].

136. Sixthly, in order to determine whether the applicant acted in bad faith, the tribunal must make an overall assessment, taking into account all the factors relevant to the particular case: see *Lindt v Hauswirth* at [37].

137. Seventhly, the tribunal must first ascertain what the defendant knew about the matters in question and then decide whether, in the light of that knowledge, the defendant's conduct is dishonest (or otherwise falls short of the standards of acceptable commercial behaviour) judged by ordinary standards of honest people. The applicant's own standards of honesty (or acceptable commercial behaviour) are irrelevant to the enquiry: see *AJIT WEEKLY Trade Mark* [2006] RPC 25 at [35]-[41], *GERSON Trade Mark* (Case R 916/2004-1, OHIM First Board of Appeal, 4 June 2009) at [53] and *Campbell v Hughes* [2011] RPC 21 at [36].

138. Eighthly, consideration must be given to the applicant's intention. As the CJEU stated in *Lindt v Hauswirth*:

"41. ... in order to determine whether there was bad faith, consideration must also be given to the applicant's intention at the time when he files the application for registration.

42. It must be observed in that regard that, as the Advocate General states in point 58 of her Opinion, the applicant's intention at the relevant time is a subjective factor which must be determined by reference to the objective circumstances of the particular case.

43. Accordingly, the intention to prevent a third party from marketing a product may, in certain circumstances, be an element of bad faith on the part of the applicant.

44. That is in particular the case when it becomes apparent, subsequently, that the applicant applied for registration of a sign as a Community trade mark without intending to use it, his sole objective being to prevent a third party from entering the market.

45. In such a case, the mark does not fulfil its essential function, namely that of ensuring that the consumer or end-user can identify the origin of the product or service concerned by allowing him to distinguish that product or service from those of different origin, without any confusion (see, inter alia, Joined Cases C-456/01 P and C-457/01 P *Henkel v OHIM* [2004] ECR I-5089, paragraph 48)."

10. In *Fianna Fail and Fine Gael v Patrick Melly* [2008] ETMR 41, Mr Geoffrey Hobbs Q.C. sitting as the Appointed Person pointed out that:

"Bad faith is an absolute, hence free-standing, ground for refusal of registration..."

11. In its application for cancellation, the applicant claims that the registered proprietor's intention, when filing for registration of the trade mark, was malicious and that it acted in bad faith to "prevent us from using it ourselves". In his first witness statement Mr Piris goes further and claims it was filed "with the intention of stopping my company trading". Mr Piris claims that the registered proprietor was aware the applicant company was trading as its competitor before it (the registered proprietor) filed for registration and, furthermore, that it knew of the applicant's advertising and used similar advertising ideas and advertised "in the same places".

12. The registered proprietor does not deny it knew of the applicant company when it filed its application for registration. Neither does it deny that it advertised in similar ways and by the same channels. Given the oligopsony and the nature of the services, however, neither of these is, perhaps, surprising.

13. As Dr Murphy stated at the hearing, the parties are well-known to each other and have "some history". What follows is a chronology of events taken from both parties' evidence, none of which has been disputed.

14. The registered proprietor is a company which provides a type of tattooing service to people who wish to disguise the fact that they have lost or are losing their hair. Pigments are placed into the scalp over a series of two or three treatment sessions lasting 3 to 4 hours each, to create the appearance of hair follicles and intended to look, it is said, as if the person has had a close-cropped or buzz cut. Mr Watson's claim that he invented scalp micropigmentation, the term used to describe the services, is not disputed.

15. Mr Piris utilised the registered proprietor's services himself in 2007. Following this, he agreed to meet with prospective clients on a number of occasions so that they could see the results and he also posted some blogs on the company's internet forum. He was not paid to do either of these things but says he did it as a favour. Clearly, he kept in close contact with Mr Watson as he sent him several text messages over quite a lengthy period of time where they addressed each other as "mate" and in which Mr Piris asked several times for a job and training (see IW2).

16. Mr Piris started formal employment with the registered proprietor as a trainee on 25 June 2012. During the course of that employment, the company held an open day on 20 September 2012 for prospective clients. Mr Leach attended that open day (see IW6), saw a demonstration of the tattooing technique and met and spoke with Mr Piris.

17. Following this, Mr Leach booked to undergo three treatment sessions in November 2012 (see IW8). The first of these sessions was scheduled to be with Mr Piris, the other two with a Damon Ashcroft. On the day of that first appointment, Mr Piris was not available as he had been sent to run the registered proprietor's operation in Paris. Mr Leach was offered an appointment with another, more experienced, member of staff but declined it and cancelled all three appointments. Mr Leach requested, and was eventually given, a refund of his expenses (see IW7). The appointments were rearranged and a half an hour meeting, intended to be a consultation only between Mr Piris, Mr Ashcroft and Mr Leach, took place on 5 February 2013. On 22 February 2013, abruptly and with no warning or notice period

having been served, Mr Piris left his employment. Mr Leach cancelled his three treatment appointments (see IW7).

18. On 14 February 2013, the week before he left his employment, Mr Piris had incorporated his own company, Finishing Touches Ltd (“FTL”) offering the same services as the registered proprietor.

19. Whilst Mr Leach did not go through with his appointments with the registered proprietor, he did become a client of FTL. Mr Piris states that whilst the treatments were taking place the two men spoke about the business. He states that Mr Leach is a highly successful entrepreneur who “saw the attractions” of the market. In his witness statement, Mr Leach states that his daughter, who is in the business of digital branding, came up with the SKALP concept for him and, in May 2013, he bought the SKALP.co.uk and .com domain names. In June 2013, Mr Leach incorporated the applicant company. Mr Piris diverted his website to those of Mr Leach in return for the offer of a job at the new company. In July 2014, Mr Piris bought the applicant company from Mr Leach.

20. The applicant company (then Mr Leach’s company) started trading in July 2013, the same month that FTL ceased trading as a result of a settlement agreement between Mr Piris and the registered proprietor. Whilst the settlement agreement has been filed in evidence, it is subject to an order for confidentiality and I do not refer to it in any detail. It is sufficient to note that the document results from an employment dispute following Mr Piris’ sudden departure from the company and sets out the background to that dispute which is that Mr Piris was in breach of his contract with the registered proprietor and had acted in breach of various duties including post-termination restrictions and unspecified intellectual property rights. The parties reached agreement and Mr Piris signed the document in September 2013. Mr Piris states he closed FTL and agreed not to work for the applicant company for a period ending on 22 November 2013. There is no suggestion in these proceedings that Mr Piris did not keep to all the terms of the agreement.

21. Due to Mr Piris’ abrupt departure from the company, the registered proprietor had to cancel the appointments of several clients. Additionally, alerted to the fact that other clients had been contacted by Mr Piris and offered similar services at a lower price, it instructed an independent company to carry out a review of its IT system, concerned that Mr Piris may have been remotely accessing its database and getting clients’ details without permission. The resulting report supported that view (see IW9) and led to the company changing its security and password policy following which no further unauthorised external access was made.

22. In his evidence, Mr Watson states that the registered proprietor had and still has the intention to use the mark in relation to the goods and services claimed. He states that he instructed his trade mark attorneys to file the application the subject of these proceedings after having discussions with them regarding possible trade marks. A series of emails between the two is exhibited at IW3. The earliest of these is dated 12 October 2010 and shows that Mr Watson sought advice on the possibility of registering “scalp micropigmentation” or a mark consisting of the word “scalp” in different forms including with an undefined logo. I note that none of the emails refer to the possibility of registering the word SKALP, either alone or in conjunction with

other elements. Mr Watson also states that on dates in 2011 and 2012, the registered proprietor bought a number of domain names incorporating the word SCALP and that it actively trades under the domain name scalpclinic.com, a domain name which it bought in February 2014 as the domain names scalpclinic.com, scalp.com and scalp.co.uk were not available at that time. At IW4 he exhibits pages downloaded from scalpclinic.com on 27 March 2015. The pages bear a copyright date of 2014.

23. Ms Cookson reminded me that the registered proprietor filed its application for registration on 14 August 2013. Referring particularly to the seventh and eighth findings in *Red Bull* (supra), she submitted that by this date, the registered proprietor was well aware of Mr Piris, well aware of his business which traded as FTL and well aware of his connection to Mr Leach and what was then Mr Leach's company. Noting that the registered proprietor had also filed for registration of the same trade mark in both the United States and as an International Registration designating the EU after this date, neither of which proceeded to registration, she submitted that it could be inferred that the application for registration the subject of these proceedings was filed in bad faith with the intention of thwarting the applicant from trading in competition with the registered proprietor. She submitted that the actions of the registered proprietor, and Mr Watson as its principal, in filing for registration and indicating on the application form that it intended to trade under the mark, were not honest or, at the very least, were reckless. She also referred me to the fact that the registered proprietor had sent a letter to the applicant in October 2014 about its use of the word SKALP (see JP1 page 20) and has since taken infringement action against the applicant company. It had also written to the applicant's internet service provider in January 2015 (see JP1 page 22) informing them of its registered trade mark and putting them on notice to take down the applicant's website or risk legal action. All of this, she submitted, is a further indication of the pressure they are putting on Mr Piris to close his business.

24. In response, Dr Murphy submitted that whilst it had chosen not to pursue the US and IR registrations, this was done for commercial reasons and was not, in his view, relevant to matters in the UK. Whilst critical of Mr Piris' actions throughout, he submitted that the registered proprietor's intention at all times has been to protect its own business. It did not seek to stop Mr Piris trading, it merely sought to stop him using a mark which infringed its registration and was damaging to it. It began the infringement action for the same reason. I note, in passing, that both parties agreed that effectively, the infringement action is currently stayed pending the outcome of these cancellation proceedings.

25. Ms Cookson submitted that the registered proprietor has no real commercial interest in the mark in suit. She submitted that it could have bought the Skalp.com and Skalp.co.uk websites but did not which, she says, further supports the claim that it had no real interest in the mark SKALP before it became aware of the applicant's interest in it. I reject this submission. It is clear from the evidence that the registered proprietor was actively exploring the use of alternative branding for its services over a period of some years and that those alternatives included misspellings and adaptations of descriptive words and it is entirely plausible that SKALP could have been one such mark. As for the purchase of domain names, whilst the evidence shows the scalp.com and scalp.co.uk addresses were available for Mr Leach to buy



in May 2013, it cannot be inferred that they were available for anyone else to buy at any earlier date.

26. It is not disputed, that at the filing date of the registration in suit, the registered proprietor was aware of the applicant company and Mr Piris' connection to the man originally behind it. As indicated earlier, Mr Piris left his employment with the registered proprietor abruptly having already set up his own company through which he offered similar services. The registered proprietor sought legal advice in this regard and their legal advisors were clearly in touch with Mr Piris through his advisors as is shown by the email at JP1 (page 18). This email, dated the same day the application for registration was filed, refers to a telephone conversation the previous day and contains the following:

“...despite your most recent correspondence stating that your client's website had been taken down and that he would not act in breach of his restrictive covenants, your client continues to trade in breach of his contractual obligations to my client. The 'Finishing Touches' web address remains live and redirects to a site referred to as 'Skalp'. It appeared during our call that your client had not made you aware of his activities with Skalp.

The activities carried on by Skalp are in direct competition with that of my client. The imagery used on the Skalp website is the same as that used on the Finishing Touches website and the Skalp website is also accessible from your client's LinkedIn account on the link to his 'company website'.”

27. The registered proprietor would undoubtedly have suffered some disruption because of Mr Piris' failure to give notice of him leaving his employment and it would not be surprising, given the likely time and cost it would have invested in his training just a few months earlier, coupled with the fact that he had set up a competing business even before he left that employment, if the registered proprietor felt somewhat aggrieved. Mr Piris has not denied the claims made that he accessed the details of and approached some of the registered proprietor's customers seeking to divert trade to his newly established company, actions which would, no doubt, have caused the registered proprietor further concern. In all the circumstances, it is to be expected that the registered proprietor would have sought legal advice.

28. The registered proprietor and Mr Piris, through their respective representatives, then entered into negotiations in an attempt to reach an agreed settlement and concluded that settlement in early September. As part of that settlement, Mr Piris states he closed down FTL but it is clear from both his own evidence and the email referred to above, that, apparently unknown to his own legal representatives, his website was redirected to that of what was then Mr Leach's business.

29. Whether through naivety or design, Mr Piris' actions in failing to give notice of his intention to leave his employment are not the actions of a reasonable man. His subsequent actions are, on the face of it, even less reasonable. Whilst Mr Piris' own standards of behaviour are not relevant to the enquiry I have to make, his actions, as I said above, are likely to have caused the registered proprietor a good deal of aggravation and concern. That, however, is a long way short of showing that, in filing the application for registration, it did so maliciously and in an attempt to stop the

applicant's business from trading, which is what the applicant has to prove, distinctly, albeit on the balance of probabilities. Whilst FTL was closed down, there is no evidence the registered proprietor sought to prevent Mr Piris from trading after the agreed settlement term nor is there any evidence it sought to prevent the applicant from trading (either when owned by Mr Leach or Mr Piris). Indeed, the correspondence sent on behalf of the registered proprietor to the applicant (see, for example, JP1 page 19) acknowledges its right to trade and merely asks it to rebrand. I accept that the registered proprietor filed its application for registration on 14 August 2013, which appears to be shortly after it was likely to have become aware of what was then Mr Leach's business and aware of the relationship between Mr Leach and Mr Piris, but this is not, of itself, sufficient to show that the application for registration was filed in bad faith.

30. At the hearing, Ms Cookson referred to the registered proprietor's evidence of use of the scalpclinic.com website and submitted that this was, as she put it, "pseudo-competition". No evidence has been filed which challenges the use of this website and I dismiss this submission accordingly. Mr Piris refers to the breadth of the goods and services of the registration and both he and Ms Cookson submit that this casts further doubt on the registered proprietor's intentions as it has never traded in anything other than its core services nor has it traded under the mark the subject of these proceedings. The registered proprietor itself makes no claim to have yet used its mark or to have supplied anything other than scalp micropigmentation services, however, it is not necessary for a company to have traded in specific goods or services or under a specific mark before seeking registration of that mark and in respect of those goods or services. As Dr Murphy submitted, it merely has to have the intention to do so and a registration will be vulnerable to attack if there is no genuine use of the mark within the period of five years following the completion of the registration process.

31. Mr Watson states in his evidence that his company had the intention to trade under the mark when it filed for registration. He states that in 2012 he had a conversation with Mr Piris in which he gave him the opportunity to go to Los Angeles to help run his operations there. He states that during that conversation they spoke about the possibility of branding under the trade mark SKALP. In his second witness statement, Mr Piris recalls being asked if he wanted to go to Los Angeles but he denies discussing branding, stating that he was only a trainee or junior practitioner. Ms Cookson submitted that it was implausible that branding would be discussed with such a junior employee. Neither party sought cross examination and I am not able to ascertain whether or not the two gentlemen did discuss branding but despite the short length of his employment by that time, Mr Piris was clearly regarded as a key worker given that, on his own evidence, he had been working alone in Paris for three weeks during November, seeing up to four clients there in a day, and dealing with (and carrying around) large amounts of cash and, after his return, was offered another position of some responsibility in Los Angeles. In contrast, as I have already mentioned, the registered proprietor has shown it had considered the use of many marks and associated domain names over a period of years before it filed the current registration and it is not implausible that SKALP was not one of them.

32. In all the circumstances, the applicant has not shown that the registered proprietor filed its application for registration in bad faith. On the contrary, it seems to

me that the evidence shows it acted in a way that is commensurate with protecting its business, particularly given the undisputed and potentially damaging actions of Mr Piris.

33. The objection under section 3(6) of the Act fails.

### **The objection under section 3(1) of the Act**

34. In its pleadings, the applicant puts its case under this ground in the following terms:

“The name Skalp does not include a logo or any distinctive mark as HIS hair Ltd have not traded until this name and have trademarked purely in bad faith. Please note that there application in the European community and the United States have both been rejected on the grounds of being devoid of any distinctive character. I have attached the following proof of their full refusals. We have applied in the following jurisdictions for the trademark SKALP along with our distinctive logo of two overlaying heads in Europe, the US, Australia and Brazil. I have attached the details of these. I have attached the logo for your reference.”

35. This is far from the clearest statement of an objection, however, at that point, the applicant was not legally represented and the objection was not challenged. I note that in his witness statement Mr Piris refers to the registered proprietor’s Community Trade Mark (“CTM”) for the same mark. Referring to the ex officio refusal issued by OHIM, a copy of which he exhibits at JP1, he states: “In section 2 beginning of page 6 the OHIM examiner says the mark is devoid of distinctive character. This is the ground we rely on”. The OHIM decision was based on grounds equivalent to section 3(1)(b) and (c) of the Act. At the hearing, Ms Cookson acknowledged that in completing the form seeking cancellation, the applicant had indicated only that its objection was based on section 3(1)(b) but submitted that it was clear the objection was one made under both 3(1)(b) and (c). Dr Murphy made no objection to that course of action and I proceed on that basis.

36. The relevant section of the Act states:

“3(1) The following shall not be registered –

- (a) ...,
- (b) trade marks which are devoid of any distinctive character,
- (c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services,
- (d) ...:

Provided that, a trade mark shall not be refused registration by virtue of paragraph (b), (c) or (d) above if, before the date of application for registration, it has in fact acquired a distinctive character as a result of the use made of it.”

37. In his witness statement, Mr Piris states that the meaning of Scalp is common knowledge but, referring to the examination report mentioned above, goes on to state:

“I agree with the OHIM examiner that for scalp related goods and services, the bare sign SKALP on its own is devoid of distinctive character for the goods and services specified by the OHIM examiner. It seems to me that if HIS Hair decided not to respond to the objection or to a similar one made in the USA (the designation there under the international registration given the serial number 79144816 was abandoned on 16 October 2014 as can be verified on the USPTO register) and don't respond to the same allegation in my company's TM26, then the only inference I can make is that they agree that it is correct.”

38. The registered proprietor submits that decisions from OHIM are informative but not binding on the UK Trade Marks Registry. I agree. The same is true for decisions from other jurisdictions. It also refers to the fact that the UK registry has accepted and registered the mark and “determined that the Registration is distinctive for the goods and service claimed”. It makes no submissions as to why it might think this is of relevance. Whilst it might be true that no objection to the current mark was made during its examination process, this is not a factor to which I can, or should, attach any weight. This is because in inter partes proceedings, the registrar must act as an independent tribunal and judge the matter on the basis of the arguments and evidence presented to him by the parties in those proceedings. That I now do.

39. The case law under section 3(1)(c) was summarised by Arnold J. in *Starbucks (HK) Ltd v British Sky Broadcasting Group Plc* [2012] EWHC 3074 (Ch):

“91. The principles to be applied under art.7(1)(c) of the CTM Regulation were conveniently summarised by the CJEU in *Agencja Wydawnicza Technopol sp. z o.o. v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* (C-51/10 P) [2011] E.T.M.R. 34 as follows:

“33. A sign which, in relation to the goods or services for which its registration as a mark is applied for, has descriptive character for the purposes of Article 7(1)(c) of Regulation No 40/94 is – save where Article 7(3) applies – devoid of any distinctive character as regards those goods or services (as regards Article 3 of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks ( OJ 1989 L 40 , p. 1), see, by analogy, [2004] ECR I-1699 , paragraph 19; as regards Article 7 of Regulation No 40/94 , see *Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) v Wm Wrigley Jr Co* (C-191/01 P) [2004] 1 W.L.R. 1728 [2003] E.C.R. I-12447; [2004] E.T.M.R. 9; [2004] R.P.C. 18 , paragraph 30, and the order in *Streamserve v OHIM* (C-150/02 P) [2004] E.C.R. I-1461 , paragraph 24).

36. ... due account must be taken of the objective pursued by Article 7(1)(c) of Regulation No 40/94 . Each of the grounds for refusal listed

in Article 7(1) must be interpreted in the light of the general interest underlying it (see, inter alia , *Henkel KGaA v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* (C-456/01 P) [2004] E.C.R. I-5089; [2005] E.T.M.R. 44 , paragraph 45, and *Lego Juris v OHIM* (C-48/09 P) , paragraph 43).

37. The general interest underlying Article 7(1)(c) of Regulation No 40/94 is that of ensuring that descriptive signs relating to one or more characteristics of the goods or services in respect of which registration as a mark is sought may be freely used by all traders offering such goods or services (see, to that effect, *OHIM v Wrigley* , paragraph 31 and the case-law cited).

38. With a view to ensuring that that objective of free use is fully met, the Court has stated that, in order for OHIM to refuse to register a sign on the basis of Article 7(1)(c) of Regulation No 40/94 , it is not necessary that the sign in question actually be in use at the time of the application for registration in a way that is descriptive. It is sufficient that the sign could be used for such purposes (*OHIM v Wrigley*, paragraph 32; *Campina Melkunie* , paragraph 38; and the order of 5 February 2010 in *Mergel and Others v OHIM* (C-80/09 P), paragraph 37).

39. By the same token, the Court has stated that the application of that ground for refusal does not depend on there being a real, current or serious need to leave a sign or indication free and that it is therefore of no relevance to know the number of competitors who have an interest, or who might have an interest, in using the sign in question (Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee* [1999] ECR I-2779, paragraph 35, and Case C-363/99 *Koninklijke KPN Nederland* [2004] ECR I-1619, paragraph 38). It is, furthermore, irrelevant whether there are other, more usual, signs than that at issue for designating the same characteristics of the goods or services referred to in the application for registration (*Koninklijke KPN Nederland*, paragraph 57).

And

46. As was pointed out in paragraph 33 above, the descriptive signs referred to in Article 7(1)(c) of Regulation No 40/94 are also devoid of any distinctive character for the purposes of Article 7(1)(b) of that regulation. Conversely, a sign may be devoid of distinctive character for the purposes of Article 7(1)(b) for reasons other than the fact that it may be descriptive (see, with regard to the identical provision laid down in Article 3 of Directive 89/104, *Koninklijke KPN Nederland* , paragraph 86, and *Campina Melkunie*, paragraph 19).

47. There is therefore a measure of overlap between the scope of Article 7(1)(b) of Regulation No 40/94 and the scope of Article 7(1)(c) of that regulation (see, by analogy, *Koninklijke KPN Nederland*, paragraph 67), Article 7(1)(b) being distinguished from Article 7(1)(c) in

that it covers all the circumstances in which a sign is not capable of distinguishing the goods or services of one undertaking from those of other undertakings.

48. In those circumstances, it is important for the correct application of Article 7(1) of Regulation No 40/94 to ensure that the ground for refusal set out in Article 7(1)(c) of that regulation duly continues to be applied only to the situations specifically covered by that ground for refusal.

49. The situations specifically covered by Article 7(1)(c) of Regulation No.40/94 are those in which the sign in respect of which registration as a mark is sought is capable of designating a 'characteristic' of the goods or services referred to in the application. By using, in Article 7(1)(c) of Regulation No 40/94, the terms 'the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service, or other characteristics of the goods or service', the legislature made it clear, first, that the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service must all be regarded as characteristics of goods or services and, secondly, that that list is not exhaustive, since any other characteristics of goods or services may also be taken into account.

50. The fact that the legislature chose to use the word 'characteristic' highlights the fact that the signs referred to in Article 7(1)(c) of Regulation No 40/94 are merely those which serve to designate a property, easily recognisable by the relevant class of persons, of the goods or the services in respect of which registration is sought. As the Court has pointed out, a sign can be refused registration on the basis of Article 7(1)(c) of Regulation No 40/94 only if it is reasonable to believe that it will actually be recognised by the relevant class of persons as a description of one of those characteristics (see, by analogy, as regards the identical provision laid down in Article 3 of Directive 89/104, *Windsurfing Chiemsee*, paragraph 31, and *Koninklijke KPN Nederland*, paragraph 56)."

92. In addition, a sign is caught by the exclusion from registration in art.7(1)(c) if at least one of its possible meanings designates a characteristic of the goods or services concerned: see *OHIM v Wrigley* [2003] E.C.R. I-12447 at [32] and *Koninklijke KPN Nederland NV v Benelux-Merkenbureau* (C-363/99 [2004] E.C.R. I-1619; [2004] E.T.M.R. 57 at [97]."

40. There is no dispute that the scalp is the area of the skin and underlying tissue on the head usually covered by hair. As shown in its own evidence (see IW1), the registered proprietor uses the term "scalp micro-pigmentation" and acknowledges this to be a descriptive name for its services. The mark in suit is not, however, SCALP but is, instead the word SKALP. In his skeleton argument Dr Murphy submitted that "the average UK customer does not associate any meaning with the word SKALP in the UK". I disagree. The two words are phonetically identical and, whilst it is true that the use of the letter K in place of the letter C visually

distinguishes them, I consider the difference to be insufficient to find other than the mark is descriptive, (see *En Route International Ltd v OHIM*, Case T-147/06, where the General Court found that FRESHHH was descriptive of a characteristic of foodstuffs, and that notwithstanding the visual distinction between FRESH and FRESHHH, the mark was caught by the equivalent of 3(1)(c) of the Act). In my view, the difference between the two words are so minor that I consider the word SKALP immediately informs the relevant consumer that the intended purpose of the goods or services is for the scalp. The mark therefore describes a characteristic of such goods and services.

41. The mark is registered for a range of goods and services as set out earlier in this decision. I consider the objection under section 3(1)(c) succeeds in respect of the following goods and services on the basis that the mark describes a characteristic of them in that they are or may be for the scalp (whether for humans or animals):

Class 3:

Soaps; essential oils, cosmetics; hair and skincare preparations; toiletries

Class 41:

Education; providing of training; medical training services; training services relating to tattooing and cosmetic treatments and pigmentation services; consultation and advisory services relating to the aforesaid services

Class 44:

Medical services; veterinary services; hygienic and beauty care for human beings or animals; cosmetic treatment services; cosmetic pigmentation services; tattooing services; hair treatment services; consultancy and advisory services relating to the aforesaid services

42. I consider the objection fails in respect of the following goods and services:

Class 3:

Bleaching preparations and other substances for laundry use; cleaning, polishing, scouring and abrasive preparations; perfumery; dentifrices.

Class 16:

Paper, cardboard and goods made from these materials, not included in other classes; printed matter; book binding material; photographs; stationery; adhesives for stationery or household purposes; artists' materials; paint brushes; typewriters and office requisites (except furniture); instructional and teaching material (except apparatus); plastic materials for packaging (not included in other classes); printers' type; printing blocks.

Class 41:

Entertainment; sporting and cultural activities; consultation and advisory services relating to the aforesaid services.

43. A mark which is found to be objectionable under section 3(1)(c) of the Act will also be objectionable under section 3(1)(b). That being the case, the application for cancellation brought under section 3(1)(b) also succeeds for the goods and services

set out at paragraph 41 above. In respect of the goods and services which I have found not to offend under section 3(1)(c) of the Act (i.e. those set out at paragraph 42 above), the applicant has made no specific claims and I do not consider that the mark is devoid of distinctive character.

### **Summary**

44. The application for cancellation of the registration based on grounds under section 3(6) of the Act fails. It succeeds on grounds based on section 3(1)(b) and (c) of the Act in respect of the following goods and services:

Class 3:

Soaps; essential oils, cosmetics; hair and skincare preparations; toiletries

Class 41:

Education; providing of training; medical training services; training services relating to tattooing and cosmetic treatments and pigmentation services; consultation and advisory services relating to the aforesaid services

Class 44:

Medical services; veterinary services; hygienic and beauty care for human beings or animals; cosmetic treatment services; cosmetic pigmentation services; tattooing services; hair treatment services; consultancy and advisory services relating to the aforesaid services.

The mark will be cancelled in respect of these goods and services.

### **Costs**

45. Both parties have achieved a measure of success and therefore I do not favour either with an award of costs.

**Dated this 13th day of October 2015**

**Ann Corbett  
For the Registrar  
The Comptroller-General**