

**O-557-15**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF REGISTRATION No. 3068832  
STANDING IN THE NAME OF  
TOOK US A LONG TIME LIMITED**

**AND**

**IN THE MATTER OF A REQUEST FOR A DECLARATION  
OF INVALIDITY THERETO UNDER No.500730  
BY DE GREY'S LIMITED**

## BACKGROUND

1) The following trade mark is registered in the name of Took Us a Long Time Ltd (hereinafter TULT):

Mark	Number	Filing & registration date	Class	Specification
<b>DE GREYS</b>  The rights conferred in respect of the mark are limited to goods and services provided outside the town of Ludlow and a 20 mile radius area surrounding it	3068832	15.08.14 21.11.14	29	Meat; fish; poultry and game; meat extracts; preserved, frozen, dried and cooked fruits and vegetables; jellies, jams, compotes; eggs; milk and milk products; edible oils and fats; dairy products and dairy substitutes; charcuterie; soups; seafood; lobsters, not live; oysters, not live; shellfish, not live; processed fruits, fungi and vegetables (including nuts and pulses); prepared meals, snacks and desserts (including soups and stocks) namely birds' nests, casseroles, condensed tomatoes, dips, fish crackers, pollen prepared as foodstuff, pork snacks, prepared soya, ready meals primarily with meat, fish, seafood or vegetables, snacks and side dishes of potatoes, soups and preparations therefor, stews, stocks and broths, yucca chips.
			30	Coffee, tea, cocoa and artificial coffee; rice; tapioca and sago; flour and preparations made from cereals; bread, pastry and confectionery; ices; sugar, honey, treacle; yeast, baking-powder; salt; mustard; vinegar, sauces (condiments); spices; pasta; biscuits; buns; sushi; tarts; prepared foods; prepared meals; fruit sauces; convenience food and savoury snacks namely corn, cereal, flour and sesame based snacks, crackers, dumplings, pancakes, pasta, rice and cereal dishes, pies and pastry dishes, sandwiches and pizzas, spring and seaweed rolls, steamed buns, tortilla bread dishes; salts, seasonings, flavourings and condiments; baked goods, confectionery, chocolate and desserts; sugars, natural sweeteners, sweet coatings and fillings, bee products; ice, ice creams, frozen yogurts and sorbets; processed grains, starches, and goods made thereof, baking preparations and yeasts.
			43	Services for providing food and drink; restaurant services; food and drink take-away services; preparation of meals for consumption off the premises; café services; bar services; temporary accommodation; booking of temporary accommodation; hospitality services namely accommodation; hospitality services namely food; hotel and restaurant reservation services; cocktail lounge services; hotel information; providing hotel accommodation; resort hotels; motels; agency services for booking hotel accommodation; holiday lodgings; arranging and provision of holiday accommodation; arranging and providing meals for travellers; arranging and providing hotel reservation services; reservation services for booking meals;

				catering services for the provision of food and drink; and advice, consultancy and information for the aforesaid, included in the class.
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2) By an application dated 8 January 2015, subsequently amended, De Grey's Limited (hereinafter DG) applied for a declaration of invalidity in respect of this registration. The grounds are, in summary, that DG has used the mark DE GREY'S in Shropshire since January 1924 on goods in classes 29 & 30 and services in class 43 identical or similar to those applied for. It has a significant reputation which TULT was well aware of at the time of submitting the application. As such the mark in suit offends against sections 3(6) and 5(4)(a) of the Act.

3) TULT provided a counterstatement, dated 10 April 2015, in which it denies the above grounds. It states that DG's use of the mark in suit was limited to one venue in Ludlow which had ceased to operate by 18 January 2014 i.e. seven months prior to the filing date; as such no consent from DG was required to file the application. TULT denies that DG had a reputation as claimed.

4) Only DG filed evidence. Both sides ask for an award of costs. Neither side wished to be heard. Both sides provided written submissions which I shall refer to as and when necessary in my decision.

#### **DG's EVIDENCE**

5) DG filed three witness statements. The first, dated 21 June 2015, is by Robert John Underhill a director of DG, a position he has held since January 2007. He states that the use of DE GREY'S began in 1923 on a tea room and restaurant. The business has been owned by five families. The business and goodwill stretching back to 1982 was purchased in 1998 by ICC (Twenty-Two) Limited which changed its name to De Grey's Limited in 1999. DG registered the domain name degreys.co.uk in 2004. The business included accommodation, an artisan bakery, tea room and restaurant. He provides the following turnover and advertising figures for the restaurant services:

Year	Sales £	Advertising/Marketing £
1999/00	412,671	3,893
2000/01	596,360	5,699
2001/02	662,046	4,497
2002/03	59,981	3,367
2003/04	783,321	2,289
2004/05	830,120	3,136
2005/06	855,121	2,564
2006/07	967,442	13,082
2007/08	916,564	5,392
2008/09	910,005	3,354
2009/10	913,447	2,440
2010/11	871,044	2,671
2011/12	858,110	1,178
2012/13	837,430	3,332
2013/14	716,609	3,956
Total	11,890,271	60,857

6) The advertising was mostly spent on entries in guide books and attendance at the Tea Guild Awards of Excellence, where it won awards in 2006 & 2007. The business achieved publicity from endorsements of celebrities such as Keira Knightly, Stephen Fry and Robert Plant. Mr Underhill states that in 2014 it was decided to rent the building to a national restaurant chain. However, he states that the company intends to continue trading and using the mark in relation to accommodation, artisan bakery, catering and restaurant services by opening a new premises. On 21 May 2014 DG signed a commercial tenancy agreement in respect of the former DG property in Ludlow with Tasty Ltd the parent company of TUTL. Mr Underhill states that the agreement does not give permission to register the mark DE GREY'S. He states that it was initially informed that the trade mark WILDWOOD would be used, and that drawings showing this signage were sent to DG to approve. However, Tasty Ltd then had a change of mind and decided it wished to "retain a link to the past". On 18 March 2014 DG's solicitor wrote to Tasty Ltd's solicitors concerning signage and use of the mark in suit. The letter stated that DG were content to let the mark DE GREY'S be used on the outside or inside of the building in Ludlow but made it clear that DG was not prepared to allow the mark to be used elsewhere or sold. The letter also stated that "my client is not selling the De Grey's name". He states that TUTL informed a local newspaper that his business had ceased in order that TUTL could then profit from DG's reputation and goodwill. He adds that the TUTL did not inform DG that it was applying for the mark in suit. He states that since TUTL began trading under the mark in suit there have been a number of negative comments on various media (see exhibit RJU11) which has damaged the reputation and goodwill of DG's business. He states that as he was unaware of the application and so did not oppose it hence the application for invalidity. He provides the following exhibits:

- RJU 2: A copy of the purchase in 1998 which explicitly includes the goodwill priced at £10,000.
- RJU3: This includes details from the wayback internet archive showing use of De Grey's in respect of the tea room and artisan bakery at the Broad St property, as well as the accommodation in Valentines Walk from 2007 - 2013.
- RJU5: A selection of invoices, dated September 2013 – 3 March 2014 showing advertising spend with various guide books.
- RJU6: Copies of press articles dated 2006 – 2009 showing use of the De Grey's mark on a restaurant, tea room & bakery.
- RJU7: Copies of brochures and menus undated, although said to be from 2013, and which show use of the mark on a restaurant, tea room & bakery
- RJU8 copies of correspondence, from March 2014, between the two parties solicitors regarding the leasing of the premises and the name used. This shows a mock up photograph with the name WILDWOOD transposed upon the front of the premises. It is stated categorically in the correspondence that as far as DG is concerned it owns the mark in suit. This appears to be accepted by the solicitors for TUTL.
- RJU10: Two articles from the Shropshire Star. The first, dated 21 January 2014, concerns the closure of De Grey's tea rooms at Broad St, Ludlow. It has numerous

quotes from customers who are very sad that the business is closing and comments regarding the fact that people travel from all around the world to go to the famous teashop in Ludlow. It also includes a quote from Mr Underhill who said that the closure was due to “significant competition from various fashionable and contemporary establishments”. The report continues: “He said the tearooms “more formal and traditional service” had become less appealing and claimed the business had suffered significant financial losses over the past seven years.” The reporter has only quoted Mr Underhill twice and then produced a story around the closure. The second report, dated 3 August 2014, has the headline “De Grey’s cafe in surprise return to Ludlow”. It then continues “Iconic tearoom De Grey’s is to make an unexpected return six months after the 90-year-old business closed in Ludlow”. The report continues:

“De Grey’s, which was known across the world and included celebrity fans such as Keira Knightly, Stephen Fry and Robert Plant, is set to reopen under the same name by the end of August, new bosses have said. The tearoom was thought to have shut its doors for good when owner Robbie Underhill called time on the historic business in January. But in an unexpected turn, bosses at Tasty Plc, the chain restaurant company that has taken over the building, said they intend to keep not just the name, but also the traditional tearoom and bakery. The decision was made because of the outpouring of love for De Grey’s from former customers, which has convinced the company to keep it as close to the old style as possible – including the restaurant company operating a bakery and deli for the very first time- while still putting its own brand on the building. Jonathan Plant, joint Chief Executive of Tasty plc said: “We’re going to retain the name De Grey’s but we’re going to use our own brand –it will probably be called Wildwood at De Grey’s. We’re going to continue the tea room theme at the front, with a bakery and deli, pretty much in the same style. We’re very, very keen to keep it in a similar style. At first we weren’t sure, but since we’ve taken over the site we’ve had so many letters of interest and sadness that De Grey’s had gone that we want to retain as much as possible. The big difference will be at the rear where there will be a kitchen doing our high-end pizza, pasta and grill menu. But we’ve spent a lot of time and effort to be sensitive to what it was, and moulding our concept to De Grey’s. It’s the first time we’ve done a deli, the first time we’ve done a bakery” he said. The report has as its final line another quote from Mr Plant who said: “We want to appeal to the old De Grey’s customers – and they’ll have to let us know if we’ve succeeded”.

- RJU 11: Examples of negative comments on the quality of TUTL business under the mark in suit.

7) The second witness statement, dated 22 June 2015, is by Barbara Jane Smith the Accounts Manager of DG a position she has held since April 2011. Her duties included compiling financial statements and keeping the financial records of DG. She states that she has read the statement of Mr Underhill and confirms the contents to be true.

8) The third witness statement, dated 22 June 2015, is by Peter Nigel Mondon a director of PNM Services Ltd who act as a business consultant for DG and have done since 1999, having provided similar services to the Underhill family prior to this date. He has access to the records of DG as well as his own knowledge of the company. He states:

“4. On 20 October 2014, at the request of Robert Underhill, I had a telephone conversation with Jonathan Plant, Director of Took Us a Long Time Ltd (TUALTL) to discuss DGL’s position regarding the parent company Tasty Plc’s use of the mark DE GREY’S (the mark). In this telephone call, Mr Plant asked on what basis permission may be given by the Underhill family for Tasty Plc to use the mark and if so on what terms, I said I would speak with Robert Underhill at DGL and let him know. Mr Plant stated that the mark was not particularly important to them and was therefore only of nominal value.

5. On 4 November 2014, having discussed the matter with Mr Underhill, I sent a further email to Mr Plant advising him that his verbal offer to purchase the mark for a nominal amount was not acceptable by DGL, because such a valuation was too low and DGL preferred to continue to use the mark.

6. On 17 December 2014, following a telephone call with Mr Plant, I confirmed in an email what Mr Plant had said. Mr Plant told me that TUALTL had only registered the mark to protect it for the Underhill family from third parties during the period of our discussions and in the event that no agreement could be reached with DGL regarding its sale they would have protected the mark for the Underhill family. Mr Plant subsequently denied by email that that is what he had said and confirmed that at the price being asked the mark was not of interest to TUALTL to purchase.

7. On 18 December 2014, I sent an email to Mr Plant asking him to confirm at what price the mark would be of interest to TUALTL. He responded saying he was away until 1 January but he would be delighted to meet up to discuss the matter further upon his return.

8. On 3 February 2015, I received a revised verbal offer from Mr Plant to purchase the mark from DGL. On 5 February 2015 I confirmed our telephone conversation and requested written confirmation from Mr Plant of his offer which I duly received, following a check by his lawyers, on 13 February 2015.”

9) Mr Mondon provides at exhibit PM1 a print out showing that Jonathan Plant is a director of TUTL and also print-outs of the email correspondence referred to above which supports his assertions. These include an offer from TUTL of, potentially, up to £50,000 for the mark. Whilst I accept that these documents might be normally regarded as “without prejudice” I believe that the circumstances of this case are such that it is acceptable for them to be included into the evidence and referred to, if required in my decision.

## **DECISION**

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

“47.-(2) The registration of a trade mark may be declared invalid on the ground -

(a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or

(b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.”

11) Section 5(4)(a) states:

“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.”

12) In determining the issue I take into account Halsbury’s Laws of England (4th Edition) Vol. 48 (1995 reissue) which at paragraph 165 provides the following analysis of the law of passing off. The analysis is based on guidance given in 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. It 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.”

13) I must next determine the relevant date. In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11, Mr Daniel Alexander QC as the Appointed Person considered the relevant date for the purposes of s.5(4)(a) of the Act and concluded as follows:

“39. In *Last Minute*, the General Court....said:

‘50. First, there was goodwill or reputation attached to the services offered by LMN in the mind of the relevant public by association with their get-up. In an action for passing off, that reputation must be established at the date on which



the defendant began to offer his goods or services (*Cadbury Schweppes v Pub Squash* (1981) R.P.C. 429).

51. However, according to Article 8(4) of Regulation No 40/94 the relevant date is not that date, but the date on which the application for a Community trade mark was filed, since it requires that an applicant seeking a declaration of invalidity has acquired rights over its non-registered national mark before the date of filing, in this case 11 March 2000.'

40. Paragraph 51 of that judgment and the context in which the decision was made on the facts could therefore be interpreted as saying that events prior to the filing date were irrelevant to whether, at that date, the use of the mark applied for was liable to be prevented for the purpose of Article 8(4) of the CTM Regulation. Indeed, in a recent case before the Registrar, *J Sainsbury plc v. Active: 4Life Ltd* O-393-10 [2011] ETMR 36 it was argued that *Last Minute* had effected a fundamental change in the approach required before the Registrar to the date for assessment in a s.5(4)(a) case. In my view, that would be to read too much into paragraph [51] of *Last Minute* and neither party has advanced that radical argument in this case. If the General Court had meant to say that the relevant authority should take no account of well-established principles of English law in deciding whether use of a mark could be prevented at the application date, it would have said so in clear terms. It is unlikely that this is what the General Court can have meant in the light of its observation a few paragraphs earlier at [49] that account had to be taken of national case law and judicial authorities. In my judgment, the better interpretation of *Last Minute*, is that the General Court was doing no more than emphasising that, in an Article 8(4) case, the *prima facie* date for determination of the opponent's goodwill was the date of the application. Thus interpreted, the approach of the General Court is no different from that of Floyd J in *Minimax*. However, given the consensus between the parties in this case, which I believe to be correct, that a date prior to the application date is relevant, it is not necessary to express a concluded view on that issue here.

41. There are at least three ways in which such use may have an impact. The underlying principles were summarised by Geoffrey Hobbs QC sitting as the Appointed Person in *Croom's TM* [2005] RPC 2 at [46] (omitting case references):

- (a) The right to protection conferred upon senior users at common law;
- (b) The common law rule that the legitimacy of the junior user's mark in issue must normally be determined as of the date of its inception;
- (c) The potential for co-existence to be permitted in accordance with equitable principles.

42. As to (b), it is well-established in English law in cases going back 30 years that the date for assessing whether a claimant has sufficient goodwill to maintain an action for passing off is the time of the first actual or threatened act of passing off: *J.C. Penney Inc. v. Penneys Ltd.* [1975] FSR 367; *Cadbury-Schweppes Pty Ltd v. The Pub Squash Co. Ltd* [1981] RPC 429 (PC); *Barnsley Brewery Company Ltd. v. RBNB* [1997] FSR 462; *Inter Lotto (UK) Ltd. v. Camelot Group plc* [2003] EWCA Civ 1132 [2004] 1 WLR 955: "date of commencement of the conduct complained of". If

there was no right to prevent passing off at that date, ordinarily there will be no right to do so at the later date of application.

43. In *SWORDERS TM O-212-06* Mr Alan James acting for the Registrar well summarised the position in s.5(4)(a) proceedings as follows:

'Strictly, the relevant date for assessing whether s.5(4)(a) applies is always the date of the application for registration or, if there is a priority date, that date: see Article 4 of Directive 89/104. However, where the applicant has used the mark before the date of the application it is necessary to consider what the position would have been at the date of the start of the behaviour complained about, and then to assess whether the position would have been any different at the later date when the application was made.'

14) There is no evidence that TULT used the mark prior to its application. I therefore regard the application date, 15 August 2014, as the relevant date.

15) In *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19 (HC), Pumfrey J. stated:

"27. There is one major problem in assessing a passing of 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 s.11 of the 1938 Act (see *Smith Hayden & Co. Ltd's Application (OVAX)* (1946) 63 R.P.C. 97 as qualified by *BALI Trade Mark [1969] R.P.C. 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 to 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 probabilities that passing off will occur."

16) However, in *Minimax GmbH & Co KG v Chubb Fire Limited* [2008] EWHC 1960 (Pat) Floyd J. (as he then was) stated that:

"[The above] 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."

17) I take into account the comments of Mr Arnold Q.C (as he was) when acting as the Appointed Person in *Extreme* BL/161/07 where he commented on the issue of unchallenged evidence and cross examination:

*“Unchallenged evidence*

33. *Phipson on Evidence* (16th ed) states at paragraph 12-12:

In general a party is required to challenge in cross-examination the evidence of any witness of the opposing party if he wishes to submit to the court that the evidence should not be accepted on that point. The rule applies in civil cases as it does in criminal. In general the CPR does not alter that position.

This rules [sic] serves the important function of giving the witness the opportunity of explaining any contradiction or alleged problem with his evidence. If a party has decided not to cross-examine on a particular important point, he will be in difficult in submitting that the evidence should be rejected.

However the rule is not an inflexible one...

34. The authority cited in support of this statement of the law is the decision of the House of Lords in *Browne v Dunn* (1894) 6 R 67. The relevant passages from the speeches are set out in the judgment of Hunt J in *Allied Pastoral Holdings v Federal Commissioner of Taxation* (1983) 44 ALR 607, the material parts of which are quoted in the judgment of the Court of Appeal in *Markem Corp v Zipher Ltd* [205] EWCA Civ 267, [2005] RPC 31 at [59]-[60].

35. In my judgment the learned editors of *Phipson* are correct to say that the rule is not an inflexible one. There are at least two well-established exceptions to it. The first is that, as the speech of Lord Herschell LC in *Browne v Dunn* makes clear, it may not be necessary to cross-examine on a point if the witness has been given full notice of it before making his statement. As I pointed out in *BRUTT Trade Marks* [2007] RPC 19 at [23], this may be significant in registry proceedings where evidence is given sequentially. The second is that a court is not obliged to accept a witness's evidence in the absence of cross-examination if it is obviously incredible: see *National Westminster Bank plc v Daniel* [1993] 1 WLR 1453.

36. Where, however, evidence is given in a witness statement filed on behalf of a party to registry proceedings which is not obviously incredible and the opposing party has neither given the witness advance notice that his evidence is to be challenged nor challenged his evidence in cross-examination nor adduced evidence to contradict the witness's evidence despite having had the opportunity to do so, then I consider that the rule in *Brown v Dunn* applies and it is not open to the opposing party to invite the tribunal to disbelieve the witness's evidence.

37. Despite this, it is not an uncommon experience to find parties in registry hearings making submissions about such unchallenged evidence which amount to cross-examination of the witness in his absence and an invitation to the hearing officer to disbelieve or discount his evidence. There have been a number of cases in

which appeals have been allowed against the decisions of hearing officers who have accepted such submissions. Two recent examples where this appears to have happened which were cited by counsel for the proprietor are *Score Draw Ltd v Finch* [2007] EWHC 462 (Ch), [2007] *BusLR* 864 and *EINSTEIN Trade Mark* (O/068/07). Another recent example is *Scholl Ltd's Application* (O/199/06). I consider that hearing officers should guard themselves against being beguiled by such submissions (which is not, of course, to say that they should assess evidence uncritically).”

18) In the instant case TULT did not file any evidence. Therefore the evidence of DG is unchallenged, however, I cannot accept it uncritically.

19) I must first consider whether DG had, at the relevant date any goodwill in the services claimed.

20) TULT contends that DG abandoned its business and they refer to the evidence of Mr Underhill. They have carefully selected comments to suggest that DG intended to cease business altogether. However, what Mr Underhill actually said was:

“10....Due to a combination of the increased cost of running DGL and the impending retirement of Mrs Underhill, it was decided to cease trading from 5-6 Broad St, Ludlow. The costs of running and staffing such a large building could no longer be justified so, for purely business reasons, it was decided that the building at 5-6 Broad St , Ludlow, should be rented out to a national restaurant chain who would be selling a more profitable product. Notwithstanding this, we are still very much trading as DGL under the mark and its established brand and reputation, and we intend to continue to use the mark in relation to accommodation, artisan bakery, catering and restaurant services by opening new premises.”

21) I take note that in *W.S. Foster & Son Limited v Brooks Brothers UK Limited*, [2013] EWPC 18 (PCC), Iain Purvis QC, sitting as a Deputy Judge considered the law on abandonment of goodwill and summed it up like this:

“68. I deal with the abandonment case first. The doctrine of abandonment of goodwill is intimately tied up with the basic principle that goodwill has no free-standing existence. It is simply a property right attached to a particular business. If the business dies, then so does the goodwill. See Lord Diplock in *Star Industrial v Yap Kwee Kor* [1980] *RPC* 31:

‘Goodwill, as the subject of proprietary rights, is incapable of subsisting by itself. It has no independent existence apart from the business to which it is attached. It is local in character and indivisible; if the business is carried on in several countries a separate goodwill attaches to it in each. So when the business is abandoned in one country in which it has acquired a goodwill the goodwill in that country perishes with it although the business may continue to be carried on in other countries...Once the Hong Kong Company had abandoned that part of its former business that consisted of manufacturing toothbrushes for export to and sale in Singapore it ceased to have any proprietary right in Singapore which was entitled to protection in any action for passing-off brought in the courts of that country.’

69. There is little doubt that the business of Peals was abandoned by a series of very public acts. Just as in the well-known abandonment case of *Pink v Sharwood* [1913] 30 RPC 725 the employees were laid off, all sales stopped and the means of production were broken up. There was a clear and explicit expression in an interview with the press that Peals intended to stop trading in the United Kingdom altogether. However, unlike in *Pink v Sharwood*, those acts took place only after the goodwill was assigned to a third party (Brooks Brothers (New York) Limited). Furthermore, the assignment of goodwill was not a 'bare assignment'. It was on the face of it sold together with the vital assets for maintaining and exploiting that goodwill, namely the customer lists and the lasts and equipment necessary to serve those customers. The thrust of the Agreement is that Peals will cease trading in the United Kingdom and elsewhere (as they did), but there is nothing in the Agreement to indicate that Brooks Brothers will not carry on the business themselves in the United Kingdom in some form.

70. The termination of the business of Peals in January-February 1965 is therefore not determinative in itself of the issue of abandonment. The question must be looked at more broadly. Did Brooks Brothers, through its conduct in the early part of 1965, whilst Peals was winding up its business, behave in such a way that it could be said to have abandoned the business and goodwill in the United Kingdom associated with the Peal & Co. name and the fox and boot trade mark?

71. In my view it did. Firstly, although it had technically purchased the customer lists and the equipment necessary to keep the established business going in the United Kingdom, it is clear from the evidence of Mr Moore that it allowed those assets to be dissipated or destroyed. In those circumstances, if it had wished to preserve the goodwill in the United Kingdom under the trade marks, it would in my view have had to take steps fairly quickly to preserve the goodwill by launching a new business under those marks and educating the public that it was the successor to the old Peals business. No such steps were taken. Indeed, it must be a reasonable inference that the statement in the Associated Press report, presumably based on a comment of Mr Rodney Peal, that *'Peal's readymade shoes, produced from the firm's lasts and special leather at factory in Northampton, will still be sold in the United States by Brooks Brothers of New York. But the custom-made shoes will be no more, and all the British sales will end'* was a fair reflection of the intentions of Brooks Brothers, and the message which Brooks Brothers were content to send to the market in the United Kingdom.

72. In all the circumstances, by promoting (through clauses 4 and 5 of the Agreement) the destruction of the Peals business, by failing to take any steps to preserve a business in the United Kingdom, and by allowing the United Kingdom market to assume that Peals no longer existed, I consider that Brooks Brothers had abandoned any and all the goodwill in the United Kingdom associated with the Peals business, including any goodwill associated with the fox and boot device."

22) DG contests the claim that they abandoned their business, instead contending that they retained residual goodwill. In considering whether DG retained residual goodwill, rather than abandoning its business, under the mark I look to the comments of Vice

Chancellor Pennycuik in *Ad Lib Club Limited v Granville* [1971] FSR 1 (HC), where he stated that:

“It seems to me clear on principle and on authority that where a trader ceases to carry on his business he may nonetheless retain for at any rate some period of time the goodwill attached to that business. Indeed it is obvious. He may wish to reopen the business or he may wish to sell it. It further seems to me clear in principle and on authority that so long as he does retain the goodwill in connection with his business he must also be able to enforce his rights in respect of any name which is attached to that goodwill. It must be a question of fact and degree at what point in time a trader who has either temporarily or permanently closed down his business should be treated as no longer having any goodwill in that business or in any name attached to it which he is entitled to have protected by law.

In the present case, it is quite true that the plaintiff company has no longer carried on the business of a club, so far as I know, for five years. On the other hand, it is said that the plaintiff company on the evidence continues to be regarded as still possessing goodwill to which this name AD-LIB CLUB is attached. It does, indeed, appear firstly that the defendant must have chosen the name AD-LIB CLUB by reason of the reputation which the plaintiff company's AD-LIB acquired. He has not filed any evidence giving any other reason for the selection of that name and the inference is overwhelming that he has only selected that name because it has a reputation. In the second place, it appears from the newspaper cuttings which have been exhibited that members of the public are likely to regard the new club as a continuation of the plaintiff company's club. The two things are linked up. That is no doubt the reason why the defendant has selected this name”.

23) I also take into account the case of *Pavel Maslyukov v Diageo Distilling Limited, Diageo Scotland Limited* [2010] EWHC 443 (Ch), where Arnold J. found that the use of a mark by resellers of the goods (whisky) long after the product has ceased to be produced by the original owner of the marks continued to create goodwill for the successor in title to the original owner. He said:

“69. Counsel for Diageo submitted that the hearing officer had erred in principle in two main respects. Counsel's primary submission was that, in the light of his findings of fact, the hearing officer ought to have concluded that Diageo owned a current goodwill in the trade marks. As can be seen from the end of paragraph 130, the hearing officer found that there was continuing use of the trade marks DALLAS DHU and PITYVAICH by the independent bottlers. As can be seen from paragraph 131, however, the hearing officer proceeded on the basis that use of the trade marks by the independent bottlers did not generate any goodwill on behalf of Diageo. Counsel submitted that this was wrong. He argued that it was clear that, in continuing to mature, bottle and market whisky distilled at Dallas Dhu and Pityvaich, the independent bottlers were acting with the implied licence of Diageo as the successor in title to the owners of those distilleries. Accordingly, he submitted that in carrying out such acts the independent bottlers generated goodwill not merely on their own behalf under their own trade marks, but also on behalf of Diageo under the trade marks DALLAS DHU and PITYVAICH.

70. I agree with this analysis. It is clear that, at the time that the distilleries were in operation, they produced malt whisky which earned a reputation among the relevant public. This gave rise to goodwill under the trade marks which will have been owned by the owners of the distilleries, Diageo's predecessors. The owners clearly consented to their malt whiskies being purchased for maturation, bottling and re-sale by the independent bottlers in the customary way in the malt whisky trade. They thereby impliedly licensed the independent bottlers to market the whiskies under the trade marks DALLAS DHU and PITYVAICH in the future. Given the nature of the trade, and in particular the potential for maturing the whiskies for as long as 50 years, the implied licence must have extended to continuing to market the whiskies even if the distilleries ceased to distil any further batches of those whiskies, as has in fact transpired. Continued marketing of the whiskies by the independent bottlers will have relied upon the goodwill which had already been established under the trade marks, sustained that goodwill and generated new goodwill. As implied licensees of the trade marks DALLAS DHU and PITYVAICH, the independent bottlers will not have acquired any goodwill in them. On the contrary, the goodwill will have accrued for the benefit of Diageo.

71. Although, as I have said, I agree with this analysis, I would go further. It is not necessary even to imply a licence to reach the conclusion that the relevant goodwill is owned by Diageo. If goods are manufactured by A under the trade mark A'S MARK, and the goods are then purchased by B who adds to or improves them in some way and re-sells them under the trade marks A'S MARK and B'S MARK, A'S MARK will continue to denote the original provenance of the goods and B'S MARK will denote the particular route by which the goods have come to the market. In such circumstances, it is immaterial whether B is operating with or without A's consent. Either way, B's activities will generate goodwill in A'S MARK which will accrue to the benefit of A: compare *Nishika Corp v Goodchild* [1990] FSR 371. There is no reason why such goodwill should not continue to accrue in favour of A if A stops producing the goods, but B has a stockpile and continues to market them. (It is not necessary for the purposes of this analysis to consider what claims, if any, A might have against B.)"

24) In the instant case it is clear that DG closed its tearoom and restaurant in January 2014 and the staff were made redundant. However, it is also clear that shortly afterwards negotiations were ongoing between the two parties over the use of the name DE GREY'S on the building which turned into discussions on the sale of the mark. To my mind, it is therefore not surprising that DG did not look for other premises whilst the tea room, bakery and restaurant still had the DE GREY'S name upon them. DG made it very clear to TULT that if it did not receive what it saw as a reasonable offer for its trade mark it would look to continue using the mark in the same fields of activity.

25) It is also clear that TULT wished to retain a link with the past and to trade from the goodwill accrued by DG over a number of years. Hence, its wish to keep the name DE GREY'S upon the building and its offer to DG to purchase the name for a sum potentially as high as £50,000. Exhibit RJU10 above contains an article from the Shropshire Star which makes it clear that the tea rooms under the De Grey's mark are well known not just in the UK but, thanks to the internet, the world. Ludlow is an historic town which attracts visitors from all corners of the globe and it is clear that one of the attractions was, until

January 2014, De Grey's tearooms. In the article Tasty Plc and its Chief Executive, Mr Plant, are quoted as saying:

- "The decision was made because of the outpouring of love for De Grey's from former customers, which has convinced the company to keep it as close to the old style as possible –including the restaurant company operating a bakery and deli for the very first time- while still putting its own brand on the building."
- "We're going to retain the name De Grey's but we're going to use our own brand – it will probably be called Wildwood at De Grey's. We're going to continue the tea room theme at the front, with a bakery and deli, pretty much in the same style. We're very, very keen to keep it in a similar style. At first we weren't sure, but since we've taken over the site we've had so many letters of interest and sadness that De Grey's had gone that we want to retain as much as possible. The big difference will be at the rear where there will be a kitchen doing our high-end pizza, pasta and grill menu. But we've spent a lot of time and effort to be sensitive to what it was, and moulding our concept to De Grey's. It's the first time we've done a deli, the first time we've done a bakery"
- "We want to appeal to the old De Grey's customers – and they'll have to let us know if we've succeeded".

26) From the actions of TULT and its comments to the press it would appear to me that TULT considered that there was considerable goodwill in the name De Grey's at the time of their application, hence their interest in maintaining the name on the building. It is clear that as far as the public were concerned the business was back in operation, possibly under new management, but ostensibly the same business. The report in the newspaper even stated "Iconic tearoom De Grey's is to make an unexpected return six months after the 90-year-old business closed in Ludlow". I also note that TULT were effectively using the name De Grey's with the permission of DG. It was clearly in the interests of DG to agree to this arrangement whilst there was a possibility of selling the name to TULT, and any goodwill from this use would have accrued to DG because of this agreement.

27) TULT also contended, in the alternative, that any goodwill that DG might have had would be very limited in scope. They state that all the sales figures were in relation to restaurant services; that any evidence in relation to tea rooms was too old to be taken into account and that there was no evidence of use of the mark upon food and drink products; nor for the diverse range of services claimed in class 43. It also contrasts the wide range of services it has registered in class 43 such as resort hotels and cocktail lounge services. Whilst I accept that the evidence provided does have some limitations they are not quite as bad as suggested by TULT. In particular the press articles concerning the closure and re-opening of the business known as De Grey's makes it clear that the name had goodwill and reputation for more than just restaurant services. It is clear to me, from the totality of the evidence (particularly the comments by Mr Plant), that at the relevant date of 15 August 2014, DG had goodwill and reputation in the provision of accommodation, tea room and restaurant services, delicatessen services and bakery services under the mark DE GREY'S. Why else would TULT state that it was altering its normal policy and running a bakery and delicatessen at the premises in Ludlow? Indeed, if the mark had no residual goodwill why would TULT wish to use it?



28) TULT further contends that DG has failed to establish that its goodwill went beyond Ludlow. It also claims that “the reputation of the vast majority of restaurants is local in nature; very few eating establishments secure goodwill beyond a particular locality unless they become destination establishments (e.g. The Fat Duck)”. When considering the issue of localised goodwill I look to the comments of Dillon L.J. in *Chelsea Man Menswear Limited v Chelsea Girl Limited and Another* - [1987] RPC 189 (CA), where he stated that:

“.....However, we have before us the case of plaintiffs with a strong reputation and goodwill in certain parts of the country, particularly Coventry and Oxford Street, which is faced with threats by the defendants to use the name “Chelsea Man” in all or any parts of the country in connection with the sale of men's clothing, in such a manner as is likely to mislead potential customers of the defendants and thereby to injure the plaintiffs' goodwill. Since the intended use by the defendants of the name “Chelsea Man” is nationwide, *prima facie*, it seems to me, the plaintiffs must be entitled to ask for a nationwide injunction. In my judgment, on the facts of the present case, the court would be justified in circumscribing the ambit of the injunction to narrower limits than England and Wales (which are the limits accepted by the plaintiffs) only if it were satisfied that the use by the defendants of the name “Chelsea Man” outside those limits in connection with their business *would not be likely substantially to injure the plaintiffs' goodwill*. I am far from satisfied that this is the case, for a number of reasons.

If it be assumed, for the sake of argument, that the injunction were confined to the three proposed restricted areas, it also has to be assumed that there is a live possibility, perhaps amounting to a probability, that the defendants with their large resources and wide chain of existing shops, would soon be using the name “Chelsea Man” in trading in towns close to the borders of some or all of those areas.

I do not propose to embark on a further examination of the evidence of which counsel on both sides have given us a careful and helpful analysis. In my judgment, it clearly shows that the use by the defendants of this name or mark even outside such areas would be likely to cause substantial confusion between the plaintiffs' and defendants' respective businesses, and thus to cause damage to the plaintiffs' business within those areas.....”

29) It seems to me that the instant case is on all fours with *Chelsea Man*. DG’s business was clearly in Ludlow and you had to travel to Ludlow to eat at the restaurant or stay in the hotel. If it looked to start at another premises they would also presumably be in Ludlow due to the goodwill it has locally, and its national and international reputation due to entries on the Internet. TULT is a nationwide business which could open a very similar establishment close to Ludlow, I note that the limitation is only 20 miles. **To my mind DG had, at the relevant date, a residual goodwill in the mark DE GREYS.**

30) I now move onto the issue of misrepresentation. In *Neutrogena Corporation and Another v Golden Limited and Another*, [1996] RPC 473, Morritt L.J. stated that:

“There is no dispute as to what the correct legal principle is. As stated by *Lord Oliver of Aylmerton in Reckitt & Colman Products Ltd. v. Borden Inc.* [1990] R.P.C. 341 at page 407 the question on the issue of deception or confusion is

“is it, on a balance of probabilities, likely that, if the appellants are not restrained as they have been, a substantial number of members of the public will be misled into purchasing the defendants' [product] in the belief that it is the respondents'[product]”

The same proposition is stated in Halsbury's Laws of England 4th Edition Vol.48 para 148. The necessity for a substantial number is brought out also in *Saville Perfumery Ltd. v. June Perfect Ltd.* (1941) 58 R.P.C. 147 at page 175 ; and *Re Smith Hayden's Application* (1945) 63 R.P.C. 97 at page 101.”

And later in the same judgment:

“... for my part, I think that references, in this context, to “more than *de minimis*” and “above a trivial level” are best avoided notwithstanding this court's reference to the former in *University of London v. American University of London* (unreported 12 November 1993) . It seems to me that such expressions are open to misinterpretation for they do not necessarily connote the opposite of substantial and their use may be thought to reverse the proper emphasis and concentrate on the quantitative to the exclusion of the qualitative aspect of confusion.”

31) It seems obvious to me that the use of an identical sign by TULT on businesses which are in identical or reasonably similar fields of operation would inevitably lead to misrepresentation. Although TULT have claimed that some of the services for which their mark is registered are far removed from the services in which DG has goodwill I do not accept this contention. Clearly the goodwill in the provision of bakery and delicatessen services are the equivalent of the provision of food and drink under class 29 and 30. Whilst DG’s goodwill in accommodation, restaurant and tea room services must be in the same field of activity as resort hotels or cocktail lounge services. Of course the goods and services do not need to be in the same fields of activity for misrepresentation to be found it merely makes the misrepresentation more likely. In my view, it is inevitable that damage would follow. **The invalidity action under section 5(4)(a) therefore succeeds in full.**

32) I turn to the other ground of invalidity which is based upon 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.”

32) Section 3(6) has its origins in Article 3(2)(d) of the Directive, 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.”

33) 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)."

34) It is well established (paragraph 33 sub section 131 above refers) that the relevant date for consideration of a bad faith claim are the application's filing date or at least a date no later than that. In the instant case the relevant date is 15 August 2014.

35) In asserting that the mark was applied for in bad faith, the onus rests with DG to make a prima facie case. A claim that a mark was applied for in bad faith implies some action by TULT which a reasonable person would consider to be unacceptable behaviour or, as put by Lindsay J. in the *Gromax* trade mark case [1999] RPC 10:

"includes some dealings which fall short of the standards of acceptable commercial behaviour".

36) The issue must be determined on the balance of probabilities. 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 TULT's state of mind regarding the application for registration if I am satisfied that its actions 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.

37) In the instant case, it is clear that the mark was used by DG and its predecessors in business for at least sixteen years, up until January 2014 when the business closed. TULT maintains that this was an abandonment of the business, however I have already found that DG had residual goodwill in the mark and that prior to applying for the name this residual goodwill was known to TULT. In March 2014 it asked permission to retain the name DE GREY'S upon the building citing it would "retain a link with the past". By 3 August 2014 Mr Plant stated in a press interview that there had been an outpouring of love from customers and that TULT would retain the bakery and delicatessen although their usual premises do not have these features as he wished to appeal to the old customers of De Grey's. Shortly after the application was filed TULT entered into negotiations to purchase the rights for the name DE GREY'S from DG. In its submissions it contended that any dealings post the relevant date could not be taken into account. However, paragraph 132 of *Red Bull* (see above) makes it clear that such matters can be taken into account. To my mind, the evidence clearly shows that TULT were aware that DG had residual goodwill in the mark DE GREY'S which is why it entered into negotiations to first maintain the link by keeping the old signage on the building and then seeking to purchase the mark from DG. To apply for registration of the mark in the midst of this is clearly bad faith. I note that although in email correspondence TULT claimed that Mr Mondon had misrepresented what Mr Plant had said in a telephone conversation it decided not to file evidence on this or any other aspect. **The application was filed in bad faith and so the ground of opposition under section 3(6) succeeds.**

## CONCLUSION

38) The invalidity action under Sections 5(4)(a) and 3(6) have been successful. The registration will be deemed to have never been made.

## COSTS

DG requested costs above the normal scale. Given the finding of bad faith I am willing to consider such an award. **I therefore give both parties two weeks from the date of this decision to provide written submissions in respect of costs only. I will then issue a supplementary decision dealing with costs.** The appeal period will start from the date that this supplementary decision is issued.

**Dated this 1<sup>st</sup> day of December 2015**

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