

**O-087-16**

**TRADE MARKS ACT 1994**

IN THE MATTER OF CONSOLIDATED PROCEEDINGS

REGISTRATION NO 2491995  
IN THE NAME OF DHOUPER DAVINDER AND DHOUPER GURPREET  
AND  
APPLICATION FOR REVOCATION THEREOF UNDER NO 500699  
BY BVIPR LIMITED

AND

APPLICATION FOR REGISTRATION UNDER NO 3077283  
BY BVIPR LIMITED  
AND  
OPPOSITION THERETO UNDER NO 403837  
BY DHOUPER DAVINDER AND DHOUPER GURPREET

## Background

1. This decision concerns two consolidated proceedings:

- i. Registration No 2491995 is for the trade mark **SEXC** which stands in the name of Dhouper, Davinder and Dhouper, Gurpreet (“the Dhoupers”). It was filed on 5 July 2008 and entered in the register on 9 January 2009. It is registered for the following goods:

Class 3  
Cosmetics and perfumery

Class 9  
Sunglasses

Class 18  
Handbags; ladies handbags; school bags

Class 25  
Clothing, including evening wear for males and females; headgear; footwear

On 5 December 2014, BVIPR Limited sought revocation of the registration under sections 46(1)(a) and (b) of the Trade Marks Act 1994 (“the Act”) on the grounds that the mark has not been put to genuine use. Under section 46(1)(a), revocation is sought from 10 January 2014. Under section 46(1)(b), revocation is sought from 5 December 2014.

The Dhoupers filed a counterstatement in which they claim that limited use was made of the mark within both relevant periods. The use claimed to have been made is that in relation to clothing and headgear. They also claim there are proper reasons for the mark’s non-use in relation to all goods.

- ii. Application No 3077283 has a filing date of 16 October 2014 and seeks registration for the trade mark **SEXC** for an identical specification of goods as set out above. The application stands in the name of BVIPR Limited (“BVIPR”).

Following publication of the application in *Trade Marks Journal* 2014/049 on 28 November 2014, a Notice of Opposition was filed by the Dhoupers. The opposition is based on two grounds: i) under section 5(1) on the basis that both the mark and specification of goods is identical to the Dhoupers’ registration No 2491995 and ii) under 3(6) of the Act on the grounds the application was made in bad faith.

BVIPR filed a counterstatement in which it denies the claims made and puts the Dhoupers to proof of use of their own registration.

2. Both parties filed evidence. Neither party requested to be heard but both filed written submissions in lieu of a hearing. I give this decision after a careful review of all the papers.

## The evidence

3. The evidence filed consists of:

The Dhoupers' evidence in chief which consists of:

- a witness statement dated 9 April 2015 by Davinder Dhouper, one of the two joint registered proprietors.

BVIPR's evidence which consists of:

- a witness statement dated 27 July 2015 by Paul Bicknell, a solicitor in the employ of Sipara Limited, BVIPR's representatives in these proceedings;
- a witness statement dated 23 July 2015 by Simon Davies, Director of BVIPR.

The Dhoupers evidence in reply which consists of:

- a second witness statement of Davinder Dhouper dated 19 October 2015;
- a witness statement dated 20 August 2015 by Gurpreet Dhouper, the other named joint registered proprietor;
- a witness statement dated 27 August 2015 by Richard Horton, the reporting accountant for Mr Dhouper's companies;
- a witness statement dated 20 October 2015 by Steven Gee, the Dhoupers' legal representative in these proceedings.

I shall refer to the evidence as necessary in this decision.

4. It is convenient to consider first, the revocation action against registration No 2491995 brought under the provisions of section 46 (1) of the Act which states:

**"46. (1)** The registration of a trade mark may be revoked on any of the following grounds-

(a) that within the period of five years following the date of completion of the registration procedure it has not been put to genuine use in the United Kingdom, by the proprietor or with his consent, in relation to the goods or services for which it is registered, and there are no proper reasons for non-use;

(b) that such use has been suspended for an uninterrupted period of five years, and there are no proper reasons for non-use;

(c)...

(d)...

(2) For the purpose of subsection (1) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(3) The registration of a trade mark shall not be revoked on the ground mentioned in subsection (1)(a) or (b) if such use as is referred to in that paragraph is commenced or resumed after the expiry of the five year period and before the application for revocation is made: Provided that, any such commencement or resumption of use after the expiry of the five year period but within the period of three months before the making of the application shall be disregarded unless preparations for the commencement or resumption began before the proprietor became aware that the application might be made.

(4) An application for revocation may be made by any person, and may be made to the registrar or to the court, except that –

(a) if proceedings concerning the trade mark in question are pending in the court, the application must be made to the court; and

(b) if in any other case the application is made to the registrar, he may at any stage of the proceedings refer the application to the court.

(5) Where grounds for revocation exist in respect of only some of the goods or services for which the trade mark is registered, revocation shall relate to those goods or services only.

6) Where the registration of a trade mark is revoked to any extent, the rights of the proprietor shall be deemed to have ceased to that extent as from –

(a) the date of the application for revocation, or

(b) if the registrar or court is satisfied that the grounds for revocation existed at an earlier date, that date.”

5. Section 100 of the Act is also relevant and reads:

“100. If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it.”

6. The relevant periods in which the Dhoupers must show use are 10 January 2009 to 9 January 2014 (section 46(1)(a)) and 5 December 2009 to 4 December 2014 (section 46(1)(b)). BVIPR claim that the mark has not been used in either relevant period and there are no proper reasons for its non-use. In their counterstatement, the Dhoupers state:

“Limited use, in relation to certain clothing items, has been made between April 2012 and December 2014, within both [relevant periods]. To the extent

that the use is deemed insufficient to maintain the mark in respect of “clothing” and in relation the other goods for which the mark is protected in classes 3, 9, 18 and 25, there are proper reasons for non-use.”

In view of this statement, I intend to consider, first, the claim that the mark has been used in relation to “clothing”.

8. The question of what constitutes genuine use of a mark is well established. In *The London Taxi Corporation Limited t/a The London Taxi Company v Frazer-Nash Research Limited and Ecotive Limited* [2016] EWHC 52(Ch) Arnold J summarised the position as follows:

“219. I would now summarise the principles for the assessment of whether there has been genuine use of a trade mark established by the case law of the Court of Justice, which also includes Case C-442/07 *Verein Radetsky-Order v Bundervsvereinigung Kamaradschaft 'Feldmarschall Radetsky'* [2008] ECR I-9223 and Case C-609/11 *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], [2014] ETMR 7, as follows:

(1) Genuine use means actual use of the trade mark by the proprietor or by a third party with authority to use the mark: *Ansul* at [35] and [37].

(2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Centrotherm* at [71]; *Leno* at [29].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Centrotherm* at [71]; *Leno* at [29].

(4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: *Ansul* at [37]. Internal use by the proprietor does not suffice: *Ansul* at [37]; *Verein* at [14]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle* at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].

(5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d'être* of the mark, which is to create or preserve an outlet for the goods or services that bear the mark: *Ansul* at [37]-[38]; *Verein* at [14]; *Silberquelle* at [18]; *Centrotherm* at [71].

(6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the economic sector

concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence that the proprietor is able to provide; and (g) the territorial extent of the use: *Ansul* at [38] and [39]; *La Mer* at [22]-[23]; *Sunrider* at [70]-[71], [76]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34]; *Leno* at [29]-[30], [56].

(7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor. Thus there is no *de minimis* rule: *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72]; *Leno* at [55].

(8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [32].”

9. With the above in mind, I go on to consider the evidence filed on behalf of the Dhoupers.

10. In his first witness statement, Mr Davinder Dhouper states that the registration was originally owned by a company named Select Emporium Limited of which he was also a director. He says this latter company encountered financial difficulties and, following a change of name, it was dissolved on 11 August 2009. He states the registration was assigned to him and his daughter Gurpreet Dhouper.

11. I pause here to deal with BVIPR’s submissions challenging the validity of this assignment. This is made in the witness statement of Mr Bicknell. He challenges it on the basis that the registration was transferred without valid reason or justification and not at market value and submits that the registration should have vested in the Crown due to the company being dissolved.

12. Exhibited to Mr Gee’s witness statement at SWG2 is a copy of an assignment document which he states he “submitted on 14 April 2014 to record the change of ownership of the trade mark registration...from Select Emporium Limited to Davinder Dhouper and Gurpreet Dhouper”. He states that the original signed document was filed with the request to record the assignment. BVIPR has not challenged this.

13. The document shows an assignment of the registration from Select Emporium Ltd as assignor to Davinder and Gurpreet Dhouper as first and second assignees for the sum of £1 on 3 November 2008. This date is well before the date the company changed its name and was dissolved. On the basis of the evidence before me, I have no reason to doubt the validity of the assignment and I will say no more about it.

14. Mr Dhouper states that he is a director of several other companies including Selective UK Limited and Arcave Limited both of whom he uses to sell goods under the trade mark. Mr Dhouper's witness statement introduces a number of exhibits which, he states, demonstrate that use of the mark in relation to clothing items began in April 2012. These are:

- Exhibit A, made up of copies of 38 invoices. All are on headed paper which show the Selective UK Limited name. They also show, at the top left of each page, the words "That's Mammoth" along with a pictorial representation of such a creature. Also printed on them is: "mail order co. all kinds of household electrical good –import and export". The earliest invoice is dated 11 April 2012, the latest 4 March 2013. Between them, the invoices list sales which include Sexc tshirts, Sexc Vests and Sexc Swimwear. Only two of the invoices show addressee details, the same in both cases: a Mr Nasir, described as a market trader, at an address in "Edgabaston";
- Exhibit B is made up of copies of 2 similar invoices dated 19 and 27 May 2014 which together show sales of Sexc tshirts. No addressee details are shown;
- Exhibit C is made up of copies of 8 invoices. On Arcave Ltd headed paper, they date from between 7 July 2014 and 7 November 2014. Only one bears an addressee-the same market trader as shown in the invoices at Exhibit A. The invoices include some Sexc items listed as polos, tshirts, hoodies, vests and snapbacks. Mr Dhouper states that a snapback is a type of baseball cap.
- Exhibit D are copies of three photographs. The first shows what Mr Dhouper says is a swing tag as attached to the goods shown in the invoices. The tag bears the word Sexc in a stylised form with one of the cross-members of the letter X appearing in red and the remainder in white. The second is what Mr Dhouper describes as a neck label also used on the goods shown in the invoices. Along with washing instructions, it shows the word Sexc in the same stylised form but without the red cross-member. The third page is said to show the mark "as it appears on the front of clothing items". It shows the mark in the same stylised form with the cross-member in purple and the remainder in pink. Mr Dhouper states that the mark shown is "one example of the many colours used." None of these copy photographs are dated.

15. In his evidence filed on behalf of BVIPR, Paul Bicknell exhibits, at PB1, a 2010 report from the British Fashion Council entitled *The Value of the UK Fashion Industry* and an extract taken from the londonfashionweek.co.uk website. The exhibit consists of some 67 pages but Mr Bicknell makes no reference to the vast majority of them. He points out that, at page 10 of the exhibit, the forward to the report indicates that: "Fashion directly contributes nearly £21 billion to the UK economy. It also has an indirect economic impact, in encouraging spending in other industries, of over £16 billion." The extract from the londonfashionweek website states that: "The direct value of the UK fashion industry to the UK economy is £26 billion, up from £21 billion in 2009."

16. Mr Bicknell also uses his witness statement to make a number of challenges to Mr Dhouper's evidence. In respect of the invoices shown at Exhibits A and B to Mr

Dhouper's first witness statement, Mr Bicknell states that Selective UK Limited changed its name to Jet Executive Travel Limited ("JET") on 26 February 2014. This change pre-dates the invoices at Exhibit B which still show the former company name. At PB2 he exhibits annual returns and Companies House information for JET. The company details taken from Companies House records shows the change of name, indicates that the nature of the business is the "retail sale of electrical household appliances in specialised stores" and shows that it is based in Booth Street Smethwick which is not the address given by Mr Dhouper or the invoices. Mr Bicknell also notes that the invoices at Exhibit C to Mr Dhouper's witness statement are on Arcave Limited's headed paper and, at PB7 exhibits a printout from Companies House records which show this company to be a "wholesaler of radio, television goods and electrical household appliances (other than records, tapes, CDs and video tapes and the equipment for playing them)".

17. Mr Bicknell refers to the fact that all of the invoices shown at Exhibits A and B bear an address on Bertha Road in Birmingham but states that he has carried out research which shows that no such business is listed as trading from that address. At PB3 he exhibits some pages from the Cyclex website which lists businesses on that street and which does not include JET. He does not explain what the Cyclex website is or how its listings are created.

18. Mr Bicknell notes that the only invoices with any addressee details on them are those which indicate the goods were sold to Mr Nasir, a market trader. At PB5 he exhibits documents from the Land Registry which show that the property is recorded as being owned by a Farzana Akhtar and he states that the property is not subject to any lease. He states that this is not a business address.

19. Mr Bicknell states that each of the invoices have been marked to show that payment of them has been made in cash. At PB6 he exhibits abbreviated accounts for JET which show that it had zero cash in the bank or at hand in the year ending March 2014 and just £2 for the year ending March 2013.

20. Mr Bicknell states that the domain name sexcclothing.com was created on 19 April 2014 and, at PB8 exhibits a printout of a WHOIS record which confirms this, although this record does not show the name of the registrant. At PB9 he exhibits material taken from the Wayback Machine to support his claim that the visible website only appeared on 1 April 2015. Mr Bicknell also refers to the sexc-clothing Facebook account and submits that whilst it appears to have been started in 2008, the first activity or posts on that page appeared in 2014.

21. In his second witness statement, Mr Dhouper states that he is a director of JET, formerly Selective UK Ltd and is also a director of Student Stay Limited. He states that the business address printed on the invoices at Exhibits A and B was the former registered address of Selective UK Ltd, a property which is now owned by Student Stay Ltd.

22. As to Mr Bicknell's submissions regarding the information shown on the Cyclex website, Mr Dhouper states he is not responsible for that website, has no control over it and cannot explain the absence of his company's details from it. Mr Dhouper also states that all of the clothing items identified in Exhibits A, B and C were



supplied from the Booth Street premises. The Bertha Road address and former company name were identified on the invoices only because “we wished to use up some of the stock of printed paper bearing those details”.

23. Mr Dhouper states that the invoices he has exhibited relate to both retail and wholesale sales and that the addresses of customers are not routinely asked for since “we do not offer credit to our customers and have no reason to ask for or record” them. He states that Mr Nasir’s address was recorded only because he is a regular buyer though he notes that the actual address shown on certain of them (i.e. the number of the property) contains what he presumes is a typographical error.

24. In relation to Exhibit D, Mr Dhouper states that he made an error in his earlier witness statement and that the swing tag and neck labels he exhibited are “current” ones, the design having been changed at some point after the creation of the sexcclothing.com website. He states that he has been unable to locate an example of the former swing tag but, at Exhibits G and H, he includes copies of screenshots which he says show the design of the former swing tag and neck labels which were attached to the articles to which the invoices of Exhibits A, B and C refer. The screenshots show a tag and label bearing the word Sexc in stylised form as before.

25. Mr Dhouper states that whilst JET has a primary business in the sale of electrical appliances, under its former name it was also involved in the sale of clothing items under the mark as were other of his companies.

26. In his witness statement, Mr Richard Horton states that his company, Jerroms Business Solutions Ltd, is the reporting accountant for JET and Arcave Ltd having been appointed on 28 May 2010 to deal with their financial and tax affairs. Mr Horton states that the duties undertaken include the preparation and submissions of financial statements, corporation tax and VAT returns to the relevant authorities, namely Companies House and HM Revenue and Customs. Referring to the invoices exhibited by Mr Dhouper, Mr Horton states that the income from these sales were included within financial statements for the relevant periods as required by HM Revenue and Customs.

27. The Dhoupers’ claim to have used the mark is limited to certain items of clothing. I remind myself that the relevant specification as registered is *Clothing, including evening wear for males and females; headgear; footwear*. The invoices list sales of the following:

- 89 x t shirts totalling £1384
- 67 x vests totalling £992
- 12 x polos totalling £336
- 12 x hoodies totalling £432
- 15 x swimwear totalling £270.99
- 8 x snapbacks totalling £200

28. In relation to these invoices, Mr Dhouper notes that there are gaps in the identifying numbers of the invoices. He says that this is because the “missing” invoices “relate to goods other than those bearing the Registered Trade Mark”. I take

it from this that the invoices which have been filed show the total sales claimed to have been made under the mark. They amount to sales of £3614.99.

29. Whilst Mr Bicknell has filed evidence to show the value of the “fashion industry” to the UK economy, no evidence is given which shows the size of the market for clothing or headgear per se. On any reasonable view, however, the market must be vast. In its written submissions, BVIPR refer to the case of *Memory Opticians O-528-15* pointing out that in the present case:

“The invoices provided by [the Dhoupers] show use on such a small scale in relation to one Market Trader, and nowhere near the kind needed to create an outlet for the Remaining Goods or a market share...”

30. Given the prices charged for them, the goods shown on the invoices are not specialised or high value items but rather are common items of apparel. The level of sales shown, just over £3100 for various tops, less than £300 for swimwear and £200 for snapback hats are not quantitatively significant whether considered individually or in combination. Of itself, this does not mean that such use is not genuine.

31. For the most part the invoices do not show who the purchaser(s) of the goods may have been. The Dhoupers do not provide any evidence identifying the purchasers and Mr Dhouper says such information is not kept. I find that somewhat surprising not least given the benefits to a business of identifying its customer base and promoting its goods to them, having repeat customers and maintaining good relations with them. Absent such information, it is not possible to determine from the evidence whether such sales were made to e.g. external customers or to other companies within Mr Dhouper’s control nor is it possible to determine whether they were supplied to a single or to multiple purchasers. Even if it were the latter, the invoices do not show the location or geographic spread of those purchasers though the fact that each invoice is said to have been paid for in cash with the goods said to have been supplied “from the Booth Street premises” would suggest that any customer base is extremely limited. The invoices at Exhibits A and B are said to have been supplied by companies where their agreed area of trade is, primarily, in electrical goods, an area which does not extend naturally to a trade in clothing. There is no evidence of any advertising or promotional activity having taken place. Taking all of this into account and, given the nature of the goods, the scale and frequency of use and the characteristics of the market concerned, I do not consider that the evidence filed shows the use made is warranted in the economic sector concerned to maintain or create a share in the relevant market. I do not consider there is real commercial exploitation of the mark. That being so, I find that genuine use of the mark has not been shown in respect of articles of clothing or headgear.

32. That is not an end to the matter, however, as the Dhoupers also make an alternative claim that there are genuine reasons for non-use of the mark in relation to all of the goods for which it is registered.

33. In their counterstatement, the Dhoupers state:

“It was intended that Gurpreet Dhouper would become actively involved in selling goods under the SEXC trade mark following her graduation with a masters degree in 2011. However, during 2009 Davinder Dhouper’s mother had developed dementia, which was subsequently confirmed as vascular dementia. Davinder Dhouper, Davinder’s wife and Gurpreet were her main carers from mid-2009 until her death on 11 March 2013. Also, on 7 April 2013 Davinder Dhouper was involved in a major car accident which left him unable to work. Following the resolution of their financial difficulties the owners had made plans to extend their use (sic) the mark during 2013 but their plans were put back by the above circumstances.”

34. In *Armin Häupl v Lidl Stiftung & Co. KG*, Case C-246/05, the Court of Justice of the European Union gave some guidance as to what constitutes proper reasons for non-use holding that:

52. In particular, as correctly stated by the Advocate General in [79] of his Opinion, it does not suffice that “bureaucratic obstacles”, such as those pleaded in the main proceedings, are beyond the control the trade mark proprietor, since those obstacles must, moreover, have a direct relationship with the mark, so much so that its use depends on the successful completion of the administrative action concerned.

53. It must be pointed out, however, that the obstacle concerned need not necessarily make the use of the trade mark impossible in order to be regarded as having a sufficiently direct relationship with the trade mark, since that may also be the case where it makes its use unreasonable. If an obstacle is such as to jeopardise seriously the appropriate use of the mark, its proprietor cannot reasonably be required to use it nonetheless. Thus, for example, the proprietor of a trade mark cannot reasonably be required to sell its goods in the sales outlets of its competitors. In such cases, it does not appear reasonable to require the proprietor of a trade mark to change its corporate strategy in order to make the use of that mark nonetheless possible.

54. It follows that only obstacles having a sufficiently direct relationship with a trade mark making its use impossible or unreasonable, and which arise independently of the will of the proprietor of that mark, may be described as “proper reasons for non-use” of that mark. It must be assessed on a case-by-case basis whether a change in the strategy of the undertaking to circumvent the obstacle under consideration would make the use of that mark unreasonable. It is the task of the national court or tribunal, before which the dispute in the main proceedings is brought and which alone is in a position to establish the relevant facts, to apply that assessment in the context of the present action.

55. Having regard to the foregoing considerations, the answer to the second Proper question referred for a preliminary ruling must be that Art.12(1) of the Directive must be interpreted as meaning that obstacles having a direct relationship with a trade mark which make its use impossible or unreasonable

and which are independent of the will of the proprietor of that mark constitute “proper reasons for non-use” of the mark. It is for the national court or tribunal to assess the facts in the main proceedings in the light of that guidance.”

35. The Dhoupers claim that the family circumstances they found themselves in constitute proper reasons for non-use. The first element of the claim is that Miss Dhouper, joint owner of the mark was, with others, a carer for her grandmother.

36. In his first witness statement, Mr Dhouper states:

“It had been intended that [my daughter] would become actively involved in selling clothing and other goods under the Registered Trade Mark following her graduation in 2011. However, during 2009 my mother developed dementia, which was subsequently confirmed as vascular dementia. My wife, [my daughter] and I were her main carers from mid-2009 until her death on 11 March 2013.

37. In her witness statement Miss Dhouper states:

“Together with my mother and father I was a carer of my grandmother from December 2009 until her death on 11 March 2013. In November 2011, following my graduation, I cared for my grandmother on a full time basis.”

38. The second element of the claim is that Mr Dhouper himself was involved in an accident in April 2013. In his first witness statement, Mr Dhouper states that the accident left him unable to work though he does not say for how long he was out of action. At Exhibit F he provides a copy of a letter from a consultant spinal neurosurgeon, Mr Harland. Mr Dhouper states that the letter was written in relation to a matter unrelated to these proceedings and that is borne out by the fact that the letter is dated 4 March 2014 and is addressed “To Whom It May Concern”. Mr Harland has not filed evidence himself but I note that the letter indicates that Mr Dhouper “appears to be making an excellent post-operative recovery”.

39. I have no doubt that caring for an elderly relative who suffers from dementia involves a great deal of time and energy. The same is true in terms of recovering from a serious accident and surgery. In his second witness statement, Mr Dhouper states that his companies are “small family businesses”. That may be true, however, he also states that in addition to him and his daughter, the companies also employed his son Jagjit Dhouper along with another individual who was a general secretary. I have no evidence which shows the roles within the various businesses the individual family members may have had but Miss Dhouper was able to study for her master’s degree whilst she was a part-time carer (with others) and became a full time carer (with others) only after her studies were completed. She no longer had those caring duties by the time of her father’s accident. There is no evidence that Mr Dhouper Jnr did not continue to work for the businesses throughout the relevant period. Whilst the illness of Mrs Dhouper Snr and Mr Dhouper’s accident are likely to have been stressful for the family and were certainly issues that would have arisen independently of the will of the Dhoupers, illness and injury, and caring for those who are so afflicted, are part and parcel of the daily lives of many, including those in business. Taking all matters into account I find that they do not constitute genuine

reasons for non-use of the mark. That being the case, registration No 2491995 will be revoked in its entirety with effect from 10 January 2014.

40. In view of my finding in relation to the revocation action, the Dhoupers are not entitled to rely on registration No 2491995 in their opposition to BVIPR's application for registration under no 3077283. Had I found otherwise, the fact that the respective marks and specifications are identical would have led to a positive finding under section 5(1) of the Act which would have led to BVIPR's application for registration being refused on this ground. As indicated above, the Dhoupers have also opposed on grounds under section 3(6) of the Act and I go on to consider this further.

41. 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.”

42. 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)."

43. In their notice of opposition, the Dhoupers put their claim in the following terms:

"This application is a repetition of an earlier application 3041203 by the same Applicant. The earlier application was opposed by the present Opponents. The Applicant's attorney failed to file form TM8 in due time and the present application was filed "as a precaution" (see para.7 of the Witness Statement accompanying the late-filed TM8 upon the earlier application). The Opponents believe that the present application was filed at the discretion of the Applicant's representative and not under the instruction of the Applicant, primarily to provide a defence against a possible professional negligence claim. The form TM3 requires the Applicant to confirm that it is using the mark or has a bona fide intention to use the mark. The Opponents believe that the Applicant's representative did not have the necessary instruction to file the application on the Applicant's behalf and so was not able truthfully to provide that confirmation. The Applicant's representative is therefore requested to provide evidence that the Applicant instructed the filing of the present application, or at least provided the representative with the information that the mark was being used or was intended to be used".

44. In its counterstatement BVIPR state:

"The Opponents advance a case that the Application was filed in bad faith on the basis that, the Opponents allege, the Applicant's lawyers were not instructed to file the Application. This case should be dismissed as the Opponents' understanding is misguided and denied as will be seen from the Applicant's evidence when this is due to be submitted later on in the proceedings. For the avoidance of doubt the Applicant has a bona fide intention to use the mark applied for under the Application."

45. The Dhoupers have not filed any evidence to support their claim that the application has been made in bad faith. In contrast, BVIPR filed evidence in the form of a witness statement by Simon Davies, its Director, in which he states that BVIPR did instruct its representatives to file the application and had been "negotiating a confidential agreement with a third party for the exploitation of the Application (once registered) for use on the goods listed under the Application". No evidence has been filed to refute that statement and the Dhoupers did not seek to further challenge it e.g. by the cross examination of Mr Davies. In all the circumstances, the opposition based on grounds under section 3(6) is dismissed.

## Summary

46. The Dhoupers having failed to show genuine use of their mark and having failed to show there are proper reasons for its non-use, registration No 2491995 will be revoked from 10 January 2014. The Dhoupers' opposition to application No. 3077283 is dismissed on each ground on which it was brought.

## Costs

47. BVIPR, having succeeded, is entitled to an award of costs in its favour. I note that these are consolidated proceedings and that both parties filed evidence and written submissions with the decision being reached from the papers on file. I make the award on the following basis:

For filing the notice of cancellation:	£200
Fee:	£200
For filing the opposition counterstatement:	£200
Evidence:	£800
For filing submissions:	£200
<b>Total:</b>	<b>£1600</b>

48. I order Dhouper Davinder and Dhouper Gurpreet to pay BVIPR Limited the sum of £1600. This sum is to be paid within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 17<sup>TH</sup> day of February 2016**

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