

O/426/20

TRADE MARKS ACT 1994

CONSOLIDATED PROCEEDINGS

IN THE MATTER OF REGISTRATION NO. UK00003313574 AND NO.
UK00003319998

IN THE NAME OF MARK HALL
FOR THE FOLLOWING TRADE MARKS:

FlipnFill

AND

Flip&Fill

IN CLASS 41

AND

CONSOLIDATED APPLICATIONS FOR A DECLARATION OF INVALIDITY
UNDER NO. 502772 AND NO. 502773
BY GRAHAM BARRIE TURNER

BACKGROUND AND PLEADINGS

1. Mark Hall (“the proprietor”) is the owner of the trade marks **FlipnFill** (“the First Contested Mark”) and **Flip&Fill** (“the Second Contested Mark”) which were filed on 26 May 2018 and 23 June 2018 respectively (“the relevant dates”). The First Contested Mark was registered on 7 September 2018 and stands registered for the following services:

Class 41 DJ’s, musical production duo, band, singers, remixers, performing artists, live performances, live DJ performances.

2. The Second Contested Mark was registered on 21 September 2018 and stands registered for the following services:

Class 41 DJ mixing; DJ Band; Band Music production; DJ production; Remixer; DJ remixer; Club DJ; Hired DJ; Dance club services; Dance events; Dance hall services; Disc jockey services; Disc jockey services for parties and special events; Disc jockeys for parties and special events.

3. On 15 August 2019, Graham Barrie Turner (“the applicant”) applied to have the Contested Marks declared invalid under section 47 of the Trade Marks Act 1994 (“the Act”). The applications are based on sections 5(4)(a) and 3(6) of the Act.

4. For his applications based upon section 5(4)(a) the applicant claims to have used the signs **FlipNFill**, **Flip N Fill**, **Flip&Fill** and **Flip & Fill** throughout the UK since 2001 in relation to “DJ performances, sound recordings, record sleeves, record advertising, TV advertising, record productions, radio broadcasts”. The applicant states that since that time, the signs have been used by the parties together through a limited company of which they were joint shareholders, and later by the applicant alone.

5. For his applications based upon section 3(6), the applicant claims that the proprietor has registered the Contested Marks to secure payments from the applicant for use of the marks and to damage the applicant’s business.

6. The proprietor filed counterstatements denying the claims made.

7. On 6 November 2019, the Tribunal wrote to the parties to inform them of the consolidation of the proceedings pursuant to Rule 62(g) of the Trade Marks Rules 2008.

8. The applicant is represented by Mr Anthony Jayes and the proprietor is unrepresented. Both parties filed evidence in chief. The applicant filed evidence in reply. No hearing was requested and only the proprietor filed written submissions in lieu. This decision is taken following a careful perusal of the papers.

EVIDENCE AND SUBMISSIONS

9. The applicant filed evidence in chief in the form of the witness statements of the applicant dated 5 January 2010, Matthew Glyn Cadman dated 5 January 2019 and Paul Grayson dated 4 January 2020. The applicant's evidence was accompanied by written submissions. The date of the applicant's witness statement appears to be a typographical error, as it contains information which relates to the period after 2010. It appears that this should have been dated "2020" and not "2010".

10. The proprietor filed evidence in chief in the form of the witness statements of the proprietor himself dated 23 March 2020 and Helen Grice dated 4 March 2020.

11. The applicant filed a second witness statement in reply dated 29 April 2020.

12. As noted above, the proprietor filed written submissions in lieu of a hearing.

13. I have read the evidence and submissions in their entirety. Whilst I do not propose to summarise them here, I have taken them into account and will refer to them below where necessary.

DECISION

14. Section 5(4)(a) and 3(6) of the Act have application in invalidation proceedings by virtue of section 47 of the Act, which states as follows:

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

Where the trade mark was registered in breach of subsection (1)(b), (c) or (d) of that section, it shall not be declared invalid if, in consequence of the use which has been made of it, it has after registration acquired a distinctive character in relation to the goods or services for which it is registered.

(2) Subject to subsections (2A) and (2G), 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.

[...]

(5) Where the grounds of invalidity exist in respect of only some of the goods or services for which the trade mark is registered, the trade mark shall be declared invalid as regards those goods or services only.

(5A) An application for a declaration of invalidity may be filed on the basis of one or more earlier trade marks or other earlier rights provided they all belong to the same proprietor.

(6) Where the registration of a trade mark is declared invalid to any extent, the registration shall to that extent be deemed never to have been made: Provided that this shall not affect transactions past and closed.”

Section 5(4)(a)

15. Section 5(4)(a) of the Act states as follows:

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

a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, where the condition in subsection (4A) is met,

aa)...

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”.

16. Subsection (4A) of section 5 of the Act states:

“(4A) The condition mentioned in subsection (4)(a) is that the rights to the unregistered trade mark or other sign were acquired prior to the date of application for registration of the trade mark or date of the priority claimed for that application.”

17. In *Discount Outlet v Feel Good UK*, [2017] EWHC 1400 IPEC, Her Honour Judge Melissa Clarke, sitting as a deputy Judge of the High Court, conveniently summarised the essential requirements of the law of passing off as follows:

“55. The elements necessary to reach a finding of passing off are the ‘classical trinity’ of that tort as described by Lord Oliver in the *Jif Lemon* case (*Reckitt & Colman Product v Borden* [1990] 1 WLR 491 HL, [1990] RPC 341, HL), namely goodwill or reputation; misrepresentation leading to deception or a likelihood of deception; and damage resulting from the misrepresentation. The burden is on the Claimants to satisfy me of all three limbs.

56. In relation to deception, the court must assess whether “*a substantial number*” of the Claimants' customers or potential customers are deceived, but it is not necessary to show that all or even most of them are deceived (per *Interflora Inc v Marks and Spencer Plc* [2012] EWCA Civ 1501, [2013] FSR 21).”

18. In his pleadings, the applicant states as follows:

“3. Since 2001 the Parties have together used the name for sound recordings compiled, created and mixed by them jointly and have also had their own DJ show on Manchester’s Key103 radio station. Wikipedia details are attached (pages 1-5).

4. Since 2001 the Parties have also jointly and individually also rendered their services as DJ performers throughout the UK and Europe under the names Flip&Fill and FlipnFill (“the Names”).

5. Between approximately 2002 and 2006 the parties together commercially exploited their services through a limited company named Flip n Fill Limited (CRN 7437300861) of which they were equal and joint shareholders. That company was liquidated in approximately 2007 since when the parties have both together released and recorded music and together and separately performed as DJs under the names specified above.

6. Specially, it should be noted that the Parties have both used the Names when undertaking DJ performances alone and together. This was an agreed practice and at no time did either of the parties object to the other's use of the names by the other alone.

7. More recently and certainly since 2016 the Applicant predominantly rendered his performances alone as a DJ under the Names, the Registered Owner undertaking other activities and being based in Spain having little or no interest in performing as a DJ. The Applicant has acquired a substantial reputation in the Names and is recognised as such throughout the United Kingdom.

8. From approximately 2016 the Registered Owner reignited his interest in performing as a DJ under the names through lack of funds and sought the assistance of the Applicant in securing equipment with which to render his services and finding opportunities and being introduced to bookings which the Applicant was unable or unwilling to perform. In other words, the Registered Owner sought bookings from the Applicant to render his own services as a DJ under the names.

9. The parties have always treated the names and use of them to identify their services jointly and/or individually.

10. The parties have always recognised the goodwill associated with the names in relation as belonging to them jointly.”

19. I note that in his witness statement, the applicant identifies the erroneous date at paragraph 8 of his pleadings above, which he states was intended to be “2018”.

Goodwill

20. In *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL), goodwill was described in the following terms:

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first start.”

21. It appears to be common ground between the parties that the signs were first used in around 2001. It appears that although the sign Flip&Fill was used initially, the signs were subsequently used interchangeably by the duo. The applicant explains that he was inspired by a children’s paddling pool in his garden branded ‘Fill-N-fun’, which led to him conceiving the name “Flip N Fill”, with which the proprietor agreed. This does not appear to be disputed by the proprietor and, in any event, the person who first thought of the name is irrelevant for the purposes of these proceedings. There is no evidence that there was any formal agreement between the parties with regard to the establishment of the duo and the ownership of rights. The applicant explains that, at some point in or around 2002, the parties were advised by their accountant that they should operate their services through a limited company. The parties incorporated their company shortly after as equal shareholders and this arrangement continued until around 2007, when the company was dissolved. The parties both agree that they jointly used the signs for at least a period of time in relation to the release of sound recordings and DJ performances. The applicant also claims that the parties jointly operated their own radio show on Manchester’s Key103 radio station, a fact which does not appear to be disputed by the proprietor. There is also an acceptance on both sides that there were instances of both the applicant and proprietor using the signs as individuals, without any issue being taken by the other, although no specifics are given about any such arrangements.

22. The disagreement between the parties focuses upon whether the proprietor continued his use of the signs after around 2011/2012. The applicant claims that around that time the proprietor decided that he wanted to move in a ‘new musical direction’. The applicant explains that the proprietor left the duo to pursue other activities and projects. The applicant states that, from that time onwards, the applicant rendered his DJ services under the signs alone. However, he notes that the proprietor continued to receive royalties from the sound recordings and remixing projects that

they had worked on together. The applicant claims that he has undertaken around 2 performances a month for which he has been paid around £400 to £800 each since 2011/2012. The applicant states that his services have also been advertised on flyers, posters and social media. The applicant claims that in around 2018, the proprietor showed renewed interest in performing as a DJ under the signs. The applicant claims to have taken no issue with this, presumably in line with their original agreement to operate both jointly and individually, and assisted the proprietor in obtaining the necessary equipment and forwarding him bookings that he was unable to fulfill himself. By contrast, the proprietor submits that he has continued to work throughout the UK and has continuously provided services under the signs. The proprietor claims to have been developing songs to release under the signs which were due to be released this year. The parties agree that, by 2018, they were operating under different Facebook pages both using the signs.

23. The evidence filed by both sides is limited in terms of substantive content. Both parties have provided very little detail about the activities that they claim to have undertaken under the signs but, rather, have focused their evidence upon the chronology of the dispute between them. The applicant's claim that he has continued using the Contested Marks by himself after 2011/2012 is supported by the evidence of Mr Cadman, a Director of a record company known as All Around the World. Mr Cadman explains that the parties released a number of records through his company from 2001 until 2012 under the signs. However, Mr Cadman agrees with the applicant that in around 2011/2012 the proprietor was no longer "keen" to continue with the "Flip & Fill sound" as he thought it had "had its day". Mr Cadman states that the proprietor was reluctant to release any more records under the signs, despite the record company's encouragement to do so. Mr Cadman agrees that the applicant has continued to undertake live performances under the signs and that it was only in around September 2018 that he became aware of the proprietor's renewed interest in the signs, after being informed of this by the applicant. This chronology of events aligns with the timeline provided by the applicant.

24. Mr Grayson's evidence also supports the applicant's position. Mr Grayson has acted as the applicant's agent since around 2003. He confirms that when he first started working with the applicant, he was engaged in performing as a DJ with the

proprietor. Mr Grayson confirms that, together, the parties operated under the signs, usually performing as a duo, although sometimes individually. Mr Grayson agrees with the applicant that since 2012 the proprietor had no involvement in services provided under the signs and moved on to different projects. He states that the applicant, however, continued to perform as a DJ under the signs and that he has continued to manage his bookings for him.

25. Ms Grice confirms that she has become good friends with the proprietor over the last 10 years and that he asked her to run his diary for him, which she agreed to do. However, Ms Grice does not confirm when this arrangement began. Ms Grice confirms that she has also “recently” taken over as the proprietor’s manager and label manager. Ms Grice notes that the applicant did pass on a gig to the proprietor in May 2019, although the proprietor ended up cancelling because of the disagreement between the parties. She does not confirm whether the proprietor has engaged in performances under the signs since 2011/2012.

26. The real issue for the purposes of the application for invalidity based upon section 5(4)(a) is who owned the goodwill generated by the band at the relevant date. As noted above, there does not appear to have been any formal agreement between the parties. Issues of this nature are not uncommon; one of the best known examples is *Saxon Trade Mark*.¹ The late Laddie J. considered the ownership of goodwill generated by bands with changing membership and explained that, absent a contract or agreement, the members of a band who perform for consideration are likely to constitute a partnership-at-will. This means that the assets of the band, including its goodwill (and therefore rights to its name), are partnership assets to which each member is normally entitled to an undivided share. This is, of course, not a case where the band consisted of multiple changing members over a period of time. Rather, the band consisted of the applicant and the proprietor up until 2011/2012. I consider that, at least from the time when the limited company was dissolved until that time, they would have generated goodwill as a partnership at will. I do not consider that the fact that they occasionally performed on an individual basis under the name has an impact upon this finding. It is

¹ [2003] FSR 39

clear to me that the goodwill in the signs, such that it was, was jointly owned by the parties up until 2011/2012.

27. The position after that date becomes far less clear. The proprietor claims to have continued using the signs individually but has provided no evidence to support this. I also do not consider that the evidence of Ms Grice provides support for this contention. I note that the proprietor claims to have been preparing songs for release, but absent any information about promotional activity undertaken in relation to the release of these songs, this alone would not be sufficient to have generated goodwill. The applicant has provided more detail, with information about the number of bookings received per month and the amount received in payment. Further, both Mr Grayson and Mr Cadman agree that the applicant continued to use the Contested Marks on an individual basis after the proprietor had departed from the duo. Addressing the position where members leave a band, Laddie J. said this:

“25 Absent special facts such as existed in *Burchell*, the rights and obligations which arise when a group of musicians, performing in a band as a partnership, split up can be explained as follows. It is convenient to start by considering the position when two, unrelated bands perform under the same name. The first performs from, say, 1990 to 1995 and the second performs from 2000 onwards. Each will generate its own goodwill in the name under which it performs. If, at the time that the second band starts to perform, the reputation and goodwill of the first band still exists and has not evaporated with the passage of time (see *Ad-Lib Club Ltd v Granville* [1972] R.P.C. 673) or been abandoned (see *Star Industrial Co Ltd v Yap Kwee Kor* [1976] F.S.R. 256) it is likely to be able to sue in passing off to prevent the second group from performing under the same name (see *Sutherland v V2 Music* [2002] EWHC 14 (Ch); [2002] E.M.L.R. 28). On the other hand, if the goodwill has disappeared or been abandoned or if the first band acquiesces in the second band’s activities, the latter band will be able to continue to perform without interference. Furthermore, whatever the relationship between the first and second bands, the latter will acquire separate rights in the goodwill it generates which can be used against third parties (see *Dent v Turpin and Parker & Son (Reading) Ltd v Parker* [1965] R.P.C. 323). If the first band is a partnership, the goodwill and rights in the name are owned

by the partnership, not the individual members, and if the second band were to be sued, such proceedings would have to be brought by or on behalf of the partnership.

26 The position is no different if two bands contain common members. If, as here, they are partnerships at will which are dissolved when one or more partners leave, they are two separate legal entities. This is not affected by the fact that some, even a majority, of the partners in the first band become members of the second. A properly advised band could avoid the problem that this might cause by entering into a partnership agreement which expressly provides for the partnership to continue on the departure of one or more members and which expressly confirms the rights of the continuing and expressly limits the rights of departing partners to make use of the partnership name and goodwill. This is now commonplace in the partnership deed for solicitors' practices."

28. The situation is, of course, slightly different in this case because, if it is correct that the proprietor did in fact leave the duo in 2011/2012, then the partnership at will would have been dissolved and the applicant would have continued to use the names as an individual. The first issue is whether the proprietor did, in fact, leave the duo. As noted above, the evidence on this point is limited and I note that the proprietor claims to have continued using the name himself even after 2011/2012 (although not with the applicant). Despite this, I note that the proprietor has provided no detailed narrative or documentary evidence to support this assertion. Whilst I recognise that he continued to receive royalties in relation to the music produced by duo, there is certainly no evidence that he continued to provide services as a DJ. As noted above, the evidence of Mr Grayson and Mr Cadman support the applicant's position that after that date it was the applicant who continued using the name alone. On the balance of probabilities, I find that the proprietor did leave the partnership in 2011/2012.

29. There does not appear to have been any gap in terms of time between the parties performing as a duo up until 2011/2012 and the applicant continuing to use the name on his own. There is no suggestion that, until 2018, the proprietor made any attempt to prevent the applicant from using the signs on an individual basis. As I have found

that, on the balance of probabilities, the proprietor departed the duo in around 2011/2012, in my view, he would have been the 'last man standing' i.e. the collectively owned goodwill would have devolved to the applicant upon the proprietor's departure.² In any event, given the amount of time that had passed by the relevant date (some 6 or 7 years), and the applicant's evidence about his use of the signs during that period, I find that the applicant would have acquired his own goodwill under the signs by the relevant date. This is evidenced by the fact that the applicant had undertaken around 2 performances per month on a solo basis during that time, a fact which is unchallenged by the proprietor and supported by the evidence of Mr Cadman and Mr Grayson.

30. As noted above, a partnership at will is a distinct legal entity. The parties, as individuals, are separate legal persons to the partnership at will. Consequently, at the relevant date, the applicant had accrued his own goodwill as a DJ under the signs, separate to the goodwill of the band. The evidence appears to suggest that he used the signs relied upon interchangeably. Even a small business which has more than trivial goodwill can protect signs which are distinctive of that business under the law of passing off.³ I find that the applicant had a moderate degree of goodwill in relation to DJ services at the relevant date and that the signs were distinctive of that goodwill.

Misrepresentation and Damage

31. 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

² *CLUB SAIL Trade Marks* [2010] RPC 32

³ *Stacey v 2020 Communications* [1991] FSR 49

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."

32. *Halsbury's Laws of England* Vol. 97A (2012 reissue) provides further guidance with regard to establishing the likelihood of deception. In paragraph 309, 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 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.”

33. I have found the applicant to have had a moderate degree of goodwill in relation to DJ services at the relevant date. I have found the signs relied upon to be distinctive of that goodwill. I recognise that it is not essential under the law of passing off for the parties to be engaged in the same fields of business activity (see *Harrods Limited v Harrodian School Limited* [1996] RPC 697 (CA)). However, the closeness of their respective fields of activity is a factor to be taken into account. The Contested Marks

are registered for various DJ services, as well as other music and dance-related services. Clearly, the DJ services will be identical to the services for which the applicant had acquired goodwill at the relevant date. However, I consider that even those services that are not identical would be similar to the services for which the applicant has demonstrated goodwill. The Contested Marks are clearly identical or highly similar to the signs upon which the applicant relies. The signs relied upon are inherently distinctive to at least a medium degree. Taking all of these factors into account, I find that there is a likelihood that a substantial number of the applicant's customers, or potential customers, for his DJ services, at the relevant date, would have believed that the services covered by the Contested Marks were the services of the applicant. This finding is supported by the fact that the proprietor notes that he has been contacted by a number of third parties who are seeking to make contact with the applicant.

34. Damage could arise in a number of ways, as articulated by Warrington LJ in *Ewing v Buttercup Margarine Company Limited* [1917] 2 Ch. 1 (COA):

“To induce the belief that my business is a branch of another man's business may do that other man damage in various ways. The quality of goods I sell, the kind of business I do, the credit or otherwise which I enjoy are all things which may injure the other man who is assumed wrongly to be associated with me.”

35. Given the identical or similar fields of activity and the identical marks, there is potential for customers of the applicant to be lost to the proprietor. Damage is, therefore, made out.

36. In reaching this decision, I have considered whether there is potential for the applicant to have consented to the proprietor's registration of the Contested Marks. I note that the applicant claims to have assisted the proprietor in purchasing the necessary equipment to perform as a DJ and that he, in fact, forwarded bookings that he was himself unable or unwilling to perform to the proprietor. However, I also note that Ms Grice's evidence is that the proprietor declined to perform the booking which she was aware of the applicant forwarding, due to the ongoing disagreement between the parties. There is no evidence that the proprietor actually performed publicly under

the signs prior to the relevant date and, importantly, it is clear that any permission that might have been given by the applicant to the proprietor to use the signs in which he had acquired goodwill was limited to particular performances. This is more akin to an informal and limited licence arrangement and, in any event, consent to use of the marks in issue in relation to particular performances must be distinguished from consent to registration of a national trade mark.

37. The opposition based upon section 5(4)(a) succeeds in its entirety.

Section 3(6)

38. 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.”

39. The relevant case-law covering trade mark applications made in bad faith can be found in the following cases: *Chocoladefabriken Lindt & Sprüngli*, CJEU, Case C-529/07, *Malaysia Dairy Industries*, CJEU, Case C-320/12, *Koton*, CJEU, Case C-104/18P, *Sky v Skykick*, CJEU, Case C-371/18, *Hotel Cipriani SRL and others v Cipriani (Grosvenor Street) Limited and others*, [2009] RPC 9 (approved by the Court of Appeal in England and Wales: [2010] RPC 16), *Trump International Limited v DDTM Operations LLC*, [2019] EWHC 769 (Ch), *Copernicus-Trademarks v EUIPO*, General Court of the EU, Case T-82/14, *Daawat Trade Mark, The Appointed Person*, [2003] RPC 11, *Saxon Trade Mark*, [2003] EWHC 295 (Ch), *Mouldpro ApS v EUIPO*, General Court of the EU, Case T-796/17, *Alexander Trade Mark, The Appointed Person*, BL O/036/18, *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited* [2012] EWHC 1929 (Ch) and *Sky v Skykick* [2020] EWHC, 990 (Ch).

40. The law appears to be as follows:

- (a) While in everyday language the concept of ‘bad faith’ involves a dishonest state of mind or intention, the concept of bad faith in trade mark law must be understood in the context of trade: *Sky* CJEU.

- (b) Applying to register a trade mark without an intention to use it is not bad faith *per se*. Therefore, it is not necessary for the trade mark applicant to be using, or have plans to use, the mark in relation to all the goods/services covered by the specification: *Sky CJEU*.
- (c) The bad faith of the trade mark applicant cannot, therefore, be presumed on the basis of the mere finding that, at the time of filing his or her application, that applicant had no economic activity corresponding to the goods and services referred to in that application: *Sky CJEU*.
- (d) However, where the trade mark application is filed without an intention to use it in relation to the specified goods and services, and there is no rationale for the application under trade mark law, it may constitute bad faith. Such bad faith may be established where there are objective, relevant and consistent indications showing that the applicant had the intention either of undermining, in a manner inconsistent with honest practices, the interests of third parties, or of obtaining, without even targeting a specific third party, an exclusive right for purposes other than those falling within the functions of a trade mark: *Sky CJEU*.
- (e) This may be the case where the exclusive right was sought as part of a strategy of using widely cast trade mark registrations as legal weapons for use against others in opposition proceedings and/or for the purposes of blocking applications by third parties: *Sky EWHC* and *Copernicus-Trademarks v EUIPO*.
- (f) A trade mark may be applied for in good faith in relation to some of the goods/services covered by the application, and in bad faith as regards others: *Sky CJEU*.
- (g) This may be the case where the trade mark applicant has included a specific term in the specification, such as 'computer games', with no intention of using the mark in relation to any such goods, simply to obstruct third parties from using or registering the same mark, or similar marks. It may also be the case

where the applicant has included a broad term, such as 'computer software', with the intention of using the mark in relation to a particular sub-category of such goods/services, but no intention of using the mark in relation to all the other (sometimes very different) sub-categories of goods/services covered by the broad term, with the objective of obstructing third parties from using or registering the mark in relation to such goods/services: *Sky EWHC*.

(h) In deciding whether there was a rationale for registering the trade mark in relation to any particular term, it is necessary to bear in mind that trade mark proprietors have a legitimate interest in seeking protection in respect of goods or services in relation to which they may wish to use the trade mark in future (even if there were no plans to use the mark in relation to the goods/services at issue at the time of filing the application): *Sky EWHC*. It is therefore relevant to consider whether the goods/services in the contested application are related to those for which the mark has been used, or for which the applicant had plans to use the mark.

41. The following points are apparent from the pre-*Sky* case-law about registering trade marks in bad faith:

(a) Although it may be a relevant factor, the mere fact that the trade mark applicant knew that another party was using the trade mark in another territory does not establish bad faith: *Malaysia Dairy Industries*.

(b) Similarly, the mere fact that the trade mark applicant knew that another party used the trade mark in the UK does not establish bad faith: *Lindt, Koton* (paragraph 55). The trade mark applicant may have reasonably believed that it was entitled to apply to register the mark, e.g. where there had been honest concurrent use of the marks: *Hotel Cipriani*.

(c) However, an application to register a mark is likely to have been filed in bad faith where the trade mark applicant knew that a third party used the mark in the UK, or had reason to believe that it may wish to do so in future, and intended to use the trade mark registration to extract payment/consideration from the

third party, e.g. to lever a UK licence from an overseas trader: *Daawat*, or to gain an unfair advantage by exploiting the reputation of a well-known name: *Trump International Limited*.

- (d) An application may also have been filed in bad faith where the trade mark applicant acted in breach of a general duty of trust as regards the interests of another party, including his or her own (ex) company or (ex) partners, or a party with whom there is, or had recently been, a contractual or pre-contractual relationship, such as a licensor, prospective licensor or overseas principal: *Saxon, Mouldpro*; or where a legal agreement prohibits such a filing.

42. The correct approach to the assessment of bad faith claims is as follows. According to *Alexander Trade Mark*, the key questions for determination in such a case are:

- (a) What, in concrete terms, was the objective that the trade mark applicant has been accused of pursuing?
- (b) Was that an objective for the purposes of which the contested application could not be properly filed? and
- (c) Was it established that the contested application was filed in pursuit of that objective?

43. The trade mark applicant's intention (i.e. objective) is a subjective factor which must be determined objectively by the competent authority. An overall assessment is required, which must take account of all the factual circumstances relevant to the particular case: *Lindt*.

44. The matter must be judged at the relevant date, which is the date of the application for registration: *Lindt*. In this case, the relevant dates are 26 May 2018 and 23 June 2018 respectively.

45. It is necessary to ascertain what the trade mark applicant knew at the relevant date: *Red Bull*. Evidence about subsequent events may be relevant, if it casts light backwards on the position at the relevant date: *Hotel Cipriani*.

46. A statement on the application form that the mark is in use, or there is a *bona fide* intention to use it may, if untrue, provide evidence supporting a bad faith case, but is not sufficient by itself to justify the refusal or cancellation of the registration: *Sky CJEU*.

47. An allegation of bad faith is a serious allegation which must be distinctly proved, but in deciding whether it has been proved, the usual civil evidence standard applies (i.e. balance of probability). This means that it is not enough to establish facts which are as consistent with good faith as bad faith: *Red Bull*.

48. As noted above, it is agreed between the parties that they were joint founders of the band which operated under the Contested Marks. They later went on to be equal shareholders of a company operating under the Contested Marks and, after the dissolution of that company, went on to use the Contested Marks as a partnership at will. I have found that at some point in or around 2011/2012, the proprietor departed the duo and the applicant continued to use the signs on an individual basis as a DJ, although royalties for previously recorded tracks were still being paid to the parties equally.

49. The applicant claims that when he first became aware that the proprietor had registered the Contested Marks, the proprietor explained that he had done so in order to prevent third parties from using the Contested Marks. However, the applicant claims that subsequently, the proprietor attempted to prevent him from using the Contested Marks. The applicant has provided a copy of a letter sent to him by the proprietor dated June 2019 which states:

“I Mark Hall agree to the above names being used for the following events of which the license has been applied for. The license is only valid on receipt of funds prior to the date of each event. Without funds being transferred the license agreement will no longer be valid.

The show Manchester – dated 5th Oct 2019

Edinburgh dated 29th June 2019

- The license fee of £150 per event.

total cost for the 2 licensee fees is £300

[...]⁴

50. The applicant also states that around 2 June, the proprietor sent the following text message:

“Graham as you are aware from checking the uk trademark website which both you and kieran agreed you have seen, I own the name Flip & Fill and have informed you that you need to contact me or Helen to apply for a license to allow you to carry on using the name. You were aware of this as it was spoken about on 24th May. As yet we have not reached an agreement and therefore you are using and promoting a name that is protected by law. I expect a call from you to arrange the license but I will temporarily grant you use of the name until 3rd of June. The gigs you have performed at since 24th may will carry a temp license as above at a cost of £200 per gig. The license will cease at 5pm on Monday 3rd of June. I would expect a call before the end of license-5pm or I will be informing all agents, events and venues of the copyright and requesting them to remove all advertising and they will not be allowed to use the copyrighted name flip & fill or similar. I will take it that no reply means you are not interested in doing a deal. Sent from my iPhone”.

51. The applicant explains that, around the same time, the proprietor notified Facebook that the applicant’s Facebook page contained trade marks without the approval of the owner, and Facebook subsequently closed the applicant’s page. The applicant has provided a copy of an undated notification from Facebook which states:

⁴ Exhibit GBT1, page 3

“We’ve removed or disabled access to the following content that you posted on Facebook because a third party reported that the content infringes or otherwise violates their trade mark rights [...]”.⁵ It goes on to provide details of the ‘complaining party’ which lists the proprietor as the rights owner. I note that the proprietor claims that this related to a “Clubland” page which was advertising the applicant’s events, rather than the applicant’s Facebook page. I note that the document provided by the applicant does appear to relate to an image rather than a page, and it is not clear to me what page this image has come from.

52. Mr Grayson also gives evidence that on 3 June 2019, he received a notice from the proprietor which states:

“I hereby give notice that the name “Flip & Fill” and “Flip N Fill” has been trademarked/copyrighted by founding member Mark Hall.

[...]

Therefore, from today (receipt of email) I do not give permission for you to use either of the above names for publication, promotion or similar without written permission or prior agreement.

At any time should you wish to use the name to perform or advertise an event then permission must be applied for in writing by email prior to the event, this application should include:

- The name of the person applying for the use
- The purpose of which the name(s) is to be used
- The venue if applicable
- The performance date

Without all this information, permission will not be granted. There will also be a license fee related to the application. If Licensing has not been applied for this

⁵ Exhibit GBT1, pages 1 and 2

will be classed as an infringement of my intellectual property. any premises/companies/events where a poster or internet advert is being displaying with the above names, a request to remove will be given and legal advice will be taken, and evidence will captured and can be presented to the intellectual property enterprise court.

[...]

A license is a formal agreement to use someone else's trade mark. The two parties must agree the terms of the license, for example the cost or how long it will last. All applications will be recorded for future reference.

[...]

Best regards

Mark Hall

Flip & Fill

Date of notice 28th May 2019"⁶

53. As noted above, the relevant dates for this assessment are both in 2018. These demands for payment were not sent until 2019, apparently after the applicant had challenged the proprietor's registration of the Contested Marks. It is, of course, possible to take subsequent facts into consideration if they case light back on the intention of the parties at the relevant date. However, I note the following explanation given by the proprietor in his statement:

"As I have said previously the reason, I gained the Trademark was to protect the brand for future releases which I will be doing solely, and Mr Turner has agreed he will not be either taking part or expecting to receive royalties. As this is our 20th Anniversary year I have been working on over 20 songs (exhibit MH1A) of which I intend to release on a prolific release schedule over the next 12-24 months under the brand name, the first being "concrete Angel" which you

⁶ Exhibit to Mr Grayson's witness statement

will see from evidence (MH1, on separate attached sheet, this is my first release under my new label “Filtrate recordings” (www.filtraterecordings.co.uk) which I started to set up the day I walked out of my old record companies office [...] in 2018 when they turned down the offer of my selection of Flip & Fill songs which you can see from the picture (MH2), the label is still in its infancy and the first track is due to be released April 20th 2020 with myself as the artist, composer, producer and label owner. I have worked very hard and long since the start of the brand and feel I deserve to keep my copyright as I wish to protect the name for future releases and trading. Mr Turner has stated he has no objection to my future releases, as I presume, he will gain further gigs and therefore further income from such an event.”

54. Further, in his written submissions in lieu, the proprietor reiterates:

“The copyright [sic] was to protect the brand name for future releases, which as you can see I am still producing under the brand, and to ensure that only myself or Mr Turner made an appearance or produced a new track as flip & fill and no “stand ins” to be used unless agreed between ourselves...”

55. Whilst this does not appear to be in line with the proprietor’s later actions in requesting license payments from the applicant, I see no reason to doubt that this was his intention at the relevant dates. It seems entirely plausible that the proprietor thought that he was entitled to register the Contested Marks by virtue of his prior use of them as part of the duo and in order to protect his position once he had gained a renewed interest in carrying on activities under the Contested Marks. Whilst it may be the case that he has since decided to use his registrations to prevent the applicant from using the Contested Marks, I have seen no evidence to suggest that this was his intention at the relevant date. As noted above, an allegation of bad faith is a serious one that must be distinctly proved. Taking all of this into account, I do not consider that the evidence is sufficient to justify a finding of bad faith.

56. The opposition based upon section 3(6) of the Act fails.

CONCLUSION

57. The applications for invalidation succeed and the Contested Marks are hereby declared invalid in respect of all services for which they are registered. Under section 47(6) of the Act, the registrations are deemed never to have been made.

COSTS

58. The applicant has been successful and is entitled to a contribution towards his costs, based upon the scale published in Tribunal Practice Notice 2/2016. In the circumstances, I award the applicant the sum of **£1,600** as a contribution towards the costs of proceedings. This sum is calculated as follows:

Preparing statements and considering the proprietor's statements	£400
Filing evidence in chief, evidence in reply, considering the proprietor's evidence and preparing written submissions	£800
Official fee (x2)	£400
Total	£1,600

59. I therefore order Mark Hall to pay Graham Barrie Turner the sum of £1,600. This sum should be paid within 21 days of the expiry of the appeal period or, if there is an appeal, within 21 days of the conclusion of the appeal proceedings.

Dated this 7th day of September 2020

S WILSON

For the Registrar