

BL O/606/21

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK REGISTRATION NO. 3484389

IN THE NAME OF

BUILDASPA LIMITED

IN RESPECT OF THE FOLLOWING SERIES OF THREE TRADE MARKS:

Better Living Outdoors - BetterLivingOutdoors - better living outdoors

AND AN APPLICATION FOR A DECLARATION OF INVALIDITY THERETO

UNDER NO. 503411

BY BETTER LIVING OUTDOORS LIMITED

Background and pleadings

1. Registration 3484389 stands in the name of Buildaspa Limited (“the proprietor”).
2. The registration covers a series of three marks, which are shown on the cover page of this decision. The contested mark was applied for on 26 April 2020 and registered on 11 August 2020 for the following goods and services:

Class 11: Hot tub jets; Hot tubs; Hot water apparatus.

Class 35: Administration relating to sales methods; Sales promotion; Sales promotion for third parties; Sales promotions at point of purchase or sale, for others; Search engine marketing services; Search engine optimisation; Search engine optimization; Shows (Conducting business -); Shows (Conducting trade -); Online advertisements; Online advertising; On-line advertising; On-line advertising and marketing services; Online marketing; Outdoor advertising.

3. On 27 October 2020, Better Living Outdoors Limited (“the applicant”) filed an application to invalidate this mark in its entirety. The grounds relied upon are section 5(4)(a) and section 3(6) of the Trade Marks Act 1994 (“the Act”).
4. In its statement of grounds, the applicant states that under Section 5(4)(a) it relies on the unregistered mark ‘BETTER LIVING OUTDOORS’ which it claims it has been using since May 2016 throughout the UK, but predominantly in the north east of England, Shropshire, and the west midlands; from showrooms in Durham and Shrewsbury.
5. The applicant states that it has used the earlier sign extensively on the following goods and services:

Hot tubs; parts, fittings or accessories for hot tubs.

Retail services, internet retail services or mail order services connected with the sale of hot tubs, parts for hot tubs, fittings for hot tubs, accessories for hot tubs, maintenance products for hot tubs, water test strips for hot tubs, chemicals for hot tubs, cleaning products for hot tubs, filters for hot tubs, pumps for hot tubs,

covers for hot tubs, building structures, gazebos; information relating to the aforesaid; advice relating to the aforesaid; consultancy services relating to the aforesaid; advertising of the aforesaid; installation, maintenance, cleaning or repair of hot tubs; information relating to the aforesaid; advice relating to the aforesaid; consultancy services relating to the aforesaid.

6. The applicant attacks all of the registered goods and services of the proprietor.
7. The applicant states that it has accrued goodwill in the sign 'BETTER LIVING OUTDOORS' due to the extensive use made of it in respect of the goods and services set out above. It states that the marks at issue are identical or highly similar and the goods and services are identical or similar, such that use of the proprietor's mark would misrepresent the proprietor's goods and services as the applicant's, or suggest that the proprietor had been licensed by the applicant. Such misrepresentations would cause damage to the applicant's goodwill and therefore would be contrary to the tort of passing off and the contested registration should therefore be declared invalid.
8. Under the section 3(6) claim, the applicant states that the proprietor was aware, at the time that it filed the trade mark application, of the applicant's presence in the market. It claims that both parties operate in the same or a similar field of activity, being the field of hot tubs and the supply of goods and services associated with hot tubs. It also asserts that both parties operate within the same geographical area, less than 20 miles apart in the north-east of England. The applicant claims that the actions of the proprietor fall below the normal standards of commercial behaviour expected from reasonable and experienced business people.
9. The proprietor filed a defence and counterstatement which put the applicant to proof that it has accrued goodwill in the sign 'BETTER LIVING OUTDOORS' in respect of the goods and services at issue. The proprietor denies that the applicant owns any goodwill in the mark relied upon and, as such, no misrepresentation could occur and therefore there is no likelihood of damage to the applicant as a result of the contested registration and the use of that mark.

10. Turning to the section 3(6) ground and the claim of bad faith, the proprietor denies that it was aware when it filed the trade mark application, that the applicant was using the same or a similar mark. It states that the applicant has not provided any evidence to prove the contrary and that it is not enough in an allegation as serious as bad faith, to suggest that the proprietor must have been aware of the applicant simply because the respective outlets are 'less than 20 miles from one another'.
11. The proprietor asserts that the claims under sections 5(4)(a) and 3(6) should fail.
12. On 15 March 2021 the applicant filed evidence and witness statements in support of its claims. A witness statement of William Roberts, dated 12 March 2021, was accompanied by exhibits WR1-WR31. A witness statement of Brooke Norman, dated 9 March 2021, was accompanied by exhibits BN1-BN2.
13. On 30 June 2021 the applicant filed written submissions in lieu of a hearing. These submissions will not be summarised here but will be referred to where appropriate throughout this decision. Other than its initial defence and counterstatement, the proprietor did not file any evidence or written submissions at all.
14. Neither party requested to be heard and therefore this decision has been taken following a careful perusal of the papers before me. The proprietor has been represented by JMW Solicitors LLP. The applicant has been represented by Brand Protect Limited.

The evidence of the applicant

15. The witness statement of Brooke Norman sets out the following information:
16. Mr Norman purchased a 'Joy series spa' hot tub from an undertaking called HotPriceTubs Ltd on 12 April 2016. Mr Norman was extremely unhappy with the product he purchased which was defective, and the after-care service provided by HotPriceTubs Ltd. Unhappy with his purchase, he finally received a full refund from HotPriceTubs Ltd in February 2017, but only once court proceedings had been initiated.

17. Exhibit BN1 comprises a piece of email correspondence Mr Norman sent HotPriceTubs Ltd in which he expressed his disappointment in the product they had supplied and the services they had provided, stating that he wished he had purchased a hot tub from a different supplier. He referred to 'Better Living' specifically in his email as a company that he regrets not using initially, because of their 'excellent feedback reviews'. He confirms that the 'Better Living' in his email is a reference to the applicant in this matter. He added that after receiving a refund from HotPriceTubs Ltd, he went on to purchase a hot tub from Better Living Outdoors Limited.
18. Exhibit BN2 comprises a poster that Mr Norman created and posted on the HotPriceTubs Ltd Facebook page to warn future potential customers to avoid HotPriceTubs Ltd. The poster is shown below, and clearly displays the name of the applicant Better Living Outdoors:



19. In the evidence from Mr Roberts and further submissions from the applicant, the information provided by Mr Norman is contextualised in order to support the claim

of bad faith on the part of the proprietor. I will not summarise those submissions at this point but will refer to them later in this decision where appropriate.

20. The witness statement of Mr Roberts sets out that he is a director of the applicant company Better Living Outdoors Limited. He has held that position since the company was incorporated on 2 November 2015.

21. He states that since May 2016 the applicant has traded in the hot tub industry, using the name 'better living outdoors', generally in a lowercase for stylistic reasons. Details of the applicant company are provided under Exhibit WR1 which comprises information from the Companies House website showing that the applicant was incorporated as a private limited company on 2 November 2015.

22. Mr Roberts states that his company is a retailer of hot tubs, which are tubs or pools filled with water, used for hydrotherapy and relaxation. As part of its services the applicant acts as a distributor to members of the public for hot tub manufacturers. It also installs and maintains the hot tubs and it sells maintenance products so that customers can care for their hot tubs.

23. Mr Roberts states that in October 2020 he received a 'letter before action' from JMW Solicitors LLP acting on behalf of the proprietor Buildaspa Limited, accusing the applicant of infringing the proprietor's UK trade mark registration, the subject of this action.

24. Mr Roberts claims that, under the ground of section 5(4)(a) and passing off, the applicant will show that it owned goodwill in the sign 'better living outdoors' prior to the relevant date in these proceedings, which is 26 April 2020, being the date of application of the contested registration.

25. Mr Roberts states that there are two 'better living outdoors' retail showrooms, one which was opened in May 2016 in Durham, and the other which opened in Shrewsbury in May 2019. Exhibit WR2 comprises four pages of images showing the location of the Durham showroom on a Google maps image and three photographs, one of the exterior of the showroom, where the sign 'better living outdoors' is prominently displayed, and two internal photographs showing a number of hot tubs for sale and a pop-up banner which, whilst being slightly

unclear, does display the name 'better living outdoors'. Exhibit WR3 comprises a similar set of images showing the Shrewsbury showroom, with the mark at issue prominently displayed internally and externally. Mr Roberts estimates that the showrooms have approximately 50 customers or potential customers visiting each showroom per week.

26. Exhibit WR4 comprises information about the applicant's website 'betterlivingoutdoors.com' and shows that the domain name for that website was registered on 17 May 2016.

27. Evidence from 'The Way Back Machine' is provided under Exhibits WR5 and WR6. This information comprises several screenshots showing that the applicant was using a slightly stylised version of the 'better living outdoors' mark, promoting the sale of hot tubs on its website, on 8 January 2018 and 18 January 2019, prior to the relevant date. The mark being used was the following:



betterliving
o u t d o o r s

28. Exhibit WR7 comprises a number of screenshots from the applicant's website as it is currently presented. The mark at issue is displayed on these pages which relate to the sale of hot tubs and related accessories in the UK. This information is undated.

29. Exhibit WR8 provides information about the applicant's Facebook page and shows that the applicant has been using Facebook since 19 May 2016 to promote its business in the UK. 5,405 people have 'liked' the applicant's page and 5,625 people 'follow' it. The Facebook page shows the name 'Better Living Outdoors' in a standard font and refers to the social media tag @betterlivingoutdoors and the applicant's website name. It also prominently displays the following mark:



30. All of the above information pertains to the sale and supply of hot tubs and accessories and much of this information is dated prior to the relevant date, e.g. page 7 of 12 in WR8 displays an image of the applicant attending the Wolsingham show to promote its services and sell hot tubs, dated 8 September 2019. Page 9 of the same exhibit is dated 13 May 2019 and displays a photograph on the Facebook page of the newly opened Shrewsbury showroom. Page 12 is dated 6 July 2016 and shows a newly installed hot tub (spa) for a customer in Consett.

31. Exhibits WR9 – WR12 comprise a selection of invoices issued to the applicant’s customers between 2017 and 2020. These invoices display the name ‘better living outdoors’ prominently and represent the sale of a hot tub to individual customers. The following tables provide a summary of the sample invoices under those Exhibits:

Exhibit WR 9 - 2017 Invoices			
Invoice number	Date	Location	Amount
152	21/08/2017	Wisbech, Cambridgeshire	£ 4499.00
155	22/08/2017	Prudhoe, Northumberland	£ 5338.99
156	22/08/2017	Durham, County Durham	£ 3479.00
157	24/08/2017	South Croydon, Greater London	£ 3399.00
160	06/09/2017	Accrington, Lancashire	£ 2479.00
161	08/09/2017	Belmont, County Durham	£ 4549.00
163	14/09/2017	Salcombe Regis, Devon	£ 3499.00
164	09/10/2017	Leeds, Yorkshire	£ 4048.00
165	10/10/2017	Northwick, Cheshire	£ 2448.00
166	11/12/2017	Houghton Le Spring, Co. Durham	£ 4148.00
167	25/10/2017	Jarrow, Northumberland	£ 5174.00
171	14/11/2017	Liverpool, Merseyside	£ 1278.00
195	04/12/2017	Durham, County Durham	£ 2583.00
211	25/10/2017	Liancourt-Saint-Pierre, France	£ 5599.00

Exhibit WR 10 - 2018 Invoices			
Invoice number	Date	Location	Amount
165	17/02/2018	Darris Hall, Northumberland	£ 4500.00
167	13/01/2018	Wishaw, North Lanarkshire	£ 3499.00
168	17/03/2018	Stockton, Co. Durham	£ 4300.00
169	06/03/2018	Blackpool, Lancashire	£ 4699.00
171	14/03/2018	Spennymoor, Co. Durham	£ 3000.00
174	23/03/2018	Aberdeen, Aberdeenshire	£ 3499.00
175	03/04/2018	Durham, Co. Durham	£ 5200.00
177	12/04/2018	Lincoln, Lincolnshire	£ 3200.00
178	13/04/2018	Ingleby Barwick, Co. Durham	£ 4099.00
179	14/04/2018	Belmont, Co. Durham	£ 3199.00
181	14/04/2018	Durham, Co. Durham	£ 3499.00
182	07/05/2018	Durham, Co. Durham	£ 2199.00
183	23/04/2018	Durham, Co. Durham	£ 3099.00
184	23/04/2018	Durham, Co. Durham	£ 4499.00
188	25/04/2018	Sunderland, Tyne and Wear	£ 3899.00
189	04/05/2018	Keighley, West Yorkshire	£ 4299.00
190	05/05/2018	Sunderland, Tyne and Wear	£ 3648.00
195	13/04/2018	Sittingbourne, Kent	£ 3699.00
198	11/05/2018	Gateshead, Tyne and Wear	£ 3499.00
203	17/05/2018	Morpeth, Northumberland	£ 3000.00
205	12/01/2018	Glasgow, Scotland	£ 3449.00

Exhibit WR 11 - 2019 Invoices			
Invoice number	Date	Location	Amount
343	04/01/2019	Alston, Cumbria	£ 4799.00
344	04/01/2019	Annan, Dumfries and Galloway	£ 3448.00
346	07/01/2019	Newton Aycliffe, Co. Durham	£ 4299.00
347	08/01/2019	Coulsdon, Surrey	£ 4299.00
348	08/01/2019	Peterlee, Co. Durham	£ 5289.00
349	09/01/2019	Twickenham, Greater London	£ 4499.00
350	10/01/2019	Gloucester, Gloucestershire	£ 4998.00
351	10/01/2019	Newcastle, Tyne and Wear	£ 3448.00
352	11/01/2019	Oxford, Oxfordshire	£ 4299.00
353	15/01/2019	Sunderland, Tyne and Wear	£ 2999.00
355	16/01/2019	St. Osyth, Essex	£ 3799.00
357	01/02/2019	Durham, Co. Durham	£ 3929.00
358	04/02/2019	Forres, Moray, Scotland	£ 3299.00
359	05/02/2019	Castleford, West Yorkshire	£ 3000.00
366	19/02/2019	Durham, Co. Durham	£ 2699.00
367	20/02/2019	Blaydon, Tyne and Wear	£ 3648.00
368	23/02/2019	Bath, Somerset	£ 3499.00
369	23/02/2019	Spennymoor, Co. Durham	£ 3499.00
372	22/03/2019	Hixon, Staffordshire	£ 3888.99
415	01/05/2019	Darlington, Co. Durham	£ 4799.00

Exhibit WR 12 - 2020 Invoices			
Invoice number	Date	Location	Amount
523	27/01/2020	Huddersfield, Yorkshire	£ 3720.00
525	30/01/2020	Gateshead, Tyne and Wear	£ 3700.00
CM528	04/06/2020	Stockton-on-Tees, Cleveland	£ 3895.00
533	08/02/2020	Stockton, Cleveland	£ 5244.00
535	11/02/2020	Hexham, Northumberland	£ 2495.00
544	02/03/2020	Sunderland, Tyne and Wear	£ 3595.00
545	03/03/2020	Manchester, Lancashire	£ 3500.00
CM774	25/06/2020	Peterlee, Co. Durham	£ 4145.00
CM894	07/09/2020	Gateshead, Tyne and Wear	£ 4995.00
S73	14/01/2020	Shawbury, Shropshire	£ 5395.00
S75	16/01/2020	Telford, Shropshire	£ 3395.00
S76	18/01/2020	Telford, Shropshire	£ 5395.00
S79	22/01/2020	Hereford, Herefordshire	£ 3695.00
S80	25/01/2020	Bewley, Worcestershire	£ 5245.00
S82	01/02/2020	Bristol	£ 11050.00
S83	03/02/2020	Kemberton, Shropshire	£ 5595.00
S90	13/02/2020	Darwen, Lancashire	£ 3995.00
S93	17/02/2020	Telford, Shropshire	£ 6495.00
S95	17/02/2020	Sunderland, Tyne and Wear	£ 6630.00
S132	01/04/2020	Warrington, Cheshire	£ 4995.00

32. I note that the descriptions applied to these invoices, e.g. 'Antigua', 'Riviera', 'Tuscany' or 'Cayman' can be cross referenced with the information provided in earlier exhibits to show that the goods provided under the invoices are mostly hot tubs, but also include additional sales of associated goods such as cover lifters, feeder filters and scale/foam removers.

33. Mr Roberts states that the applicant primarily uses Google and Facebook on which to advertise the goods and services it offers. Exhibit WR13 provides information showing billing information from Facebook for the cost of advertisements the applicant placed on Facebook between November 2016 and February 2021. The amounts paid to Facebook have been redacted, however Mr Roberts asserts that the total figure has been substantial. Whilst the actual figures are not shown in this exhibit, Mr Roberts provides total advertising expenditure figures later in his evidence. What this exhibit does show clearly is that the applicant has been paying Facebook for advertising since November 2016.

34. Exhibit WR14 provides examples of the advertisements placed on Facebook. These posts feature the name 'Better Living Outdoors' and the sign:



35. Exhibit WR15 comprises a selection of invoices received from Google for advertisements that the applicant has purchased on Google's platform between 2016 and 2020. The invoices show that the applicant has been a customer of Google AdWords since 31 July 2016. The actual amounts paid to Google have been redacted as Mr Roberts claims that, as with the Facebook expenditure, these figures are commercially sensitive, however Mr Roberts claims that the amount paid to Google for advertising during this period is substantial.

36. Exhibits WR16 and WR17 provide information about the design of the applicant's logo and the development and expansion of the business, through Lifestyle Magazine, the use of third parties, specifically G7 Visuals a design company, and Discovery Design Limited who assisted in the online growth of the applicant. The applicant took up services from G7 Visuals in 2016 and Exhibit WR16 provides invoices to support this. Exhibit WR17 is a letter from Discovery Design Limited explaining the work they have done on the applicant's behalf since November 2019.

37. Exhibits WR18, WR19 and WR20 provide information as to additional advertising activities and expenditure by the applicant, through shows and exhibitions such as the Shrewsbury Flower Show in August 2019; using traditional advertising in magazines such as the Telford Lifestyle Magazine of July/August 2019 and the North East Lifestyle Magazine in June and August 2019. In these publications the following marks were used by the applicant:



38. Redacted invoices dated 15 May 2019, 15 July 2019 and 15 January 2020 for these advertising activities are also provided.

39. Mr Roberts states that the combined spend on advertising the 'better living outdoors' brand between May 2016 and April 2020 is as follows:

Year	Total
2016	£4,847.85
2017	£25,797.82
2018	£28,129.11
2019	£65,383.11
2020 (January - April)	£32,370.67
Total:	£156,528.56

40. Mr Roberts also provides turnover figures for the applicant for the period 2016 to 2018, as shown below:

Year	Total
2016	£25,357
2017	£126,033
2018	£463,903

41. Exhibit WR21 comprises a selection of reviews left by the applicant's customers on the profile it has on 'Google My Business'. There are 39 reviews in total, which show an overall rating for the applicant of 4.9 from a potential maximum of 5. Whilst the sample screenshots themselves appear to be undated, many of the reviews are dated as being 2, 3 or even 4 years old, therefore even if the screenshots of these reviews were taken after the relevant date, it is clear that many, if not all of the reviews must have been posted before the relevant date for these proceedings, given that Mr Roberts' statement is dated March 2021.

42. Exhibit WR22 comprises a selection of reviews on the applicant's 'Better Living Outdoors' Facebook page. Based on reviews from 76 people, the applicant has a '5 out of 5' rating. These reviews are dated between 2018 and 2020.
43. Exhibit WR23 comprises an incorporation of the aforementioned reviews which are displayed on the applicant's website. Page 1 of this exhibit shows that the applicant is rated 5 out of 5 based on 133 reviews. Whilst these pages are undated, many of the reviews are dated '3 or 4 years ago' and can therefore be said to pre-date the application date of the proprietor's mark.
44. Exhibit WR24 provides information relating to the applicant's membership of the British and Irish Spa and Hot Tub Association (BISHTA). BISHTA was established in 2001 with the aim of ensuring that companies engaged in the sale of hot tubs are adequately trained in water hygiene management. The applicant became a member of BISHTA and displays the BISHTA logo on advertisements to show potential customers that it conforms to the standards set by BISHTA. Exhibit WR24 provides three certificates from BISHTA for the years 2018/19, 2019/20 and 2021/22. These certificates show that the applicant has been a member of BISHTA since April 2018. Exhibit WR24 also provides screenshots from BISHTA'S website which shows the two showrooms of the applicant on the 'BISHTA approved companies' map.
45. The applicant provides information from an event in 2019 regarding an award it received from a hot tub manufacturer. The award recognised the applicant as the second highest seller of 'Superior Spas' products within the dealer network (a network containing more than 50 dealers). The applicant also received a special award at the same event, to recognise the doubling of sales of Superior Spas hot tubs from the previous year (2018). Exhibit WR25 provides information from the applicant's Facebook page relating to the same event and award ceremony dated 4 March 2020.
46. Exhibit WR26 comprises a 'location report' that apparently provides information as to the location of customers and potential customers that have viewed the applicant's Google Ads between 1 January 2016 and 25 April 2020. The report from Google is more than 500 pages in length and the applicant has therefore

only provided the first few pages. The applicant claims that the report shows that more than 1.8 million impressions were received from London which resulted in 10,556 of those users clicking through to the applicant's 'better living outdoors' website. The applicant also had 427,680 impressions from Birmingham, which resulted in 5,631 clicks onto the main 'better living outdoors' website. An impression is counted each time a Google Ad is shown on a search result page or other site in the Google Network. The amount spent acquiring the impressions via Google Ads has been redacted as it is deemed to be commercially sensitive. There is, however, no reference on any of this information to the applicant or the mark at issue. It is difficult therefore, to place any weight on this exhibit.

47. In respect of the claim under section 3(6) and bad faith, Mr Roberts provides further information and evidence. Notably, he states that hot tubs are a niche, luxury item with an average price of £6000. Mr Roberts estimates that there are between 100-150 hot tub retailers or distributors across the UK. He asserts that most purchasers of hot tubs do not buy directly from manufacturers but go to retailers/distributors. With so few retailers/distributors in the UK, Mr Roberts claims that it is a close-knit community.

48. Exhibit WR27 provides a map of the UK and Irish retailers of hot tubs, listed on the BISHTA website. A close up of the north-east of England shows that there are very few retailers in that part of the country, being the area in which both parties are largely based. Mr Roberts states that he is aware that the proprietor Buildaspa Limited is based in Hartlepool, Cleveland, although it is not a member of BISHTA and therefore doesn't appear on the BISHTA website or map. He also states that, based on a Google Maps search provided under Exhibit WR29, the parties are geographically only 19.6 miles apart, meaning that Buildaspa Limited are one of Better Living Outdoors Limited's closest competitors. Mr Roberts shows in Exhibit WR28 that Buildaspa Limited was incorporated on 2 November 2018 and its domain name "buildaspa.co.uk" was registered on the same date. As such, Mr Roberts claims that it is likely that the proprietor Buildaspa Limited was aware of the applicant's use of the name 'better living outdoors' in relation to the retailing of hot tubs at the time that it filed the trade mark application on 26 April 2020, the registration of which is the subject of this action.

49. Within Exhibit WR30 Mr Roberts attempts to show a connection between the parties prior to the filing of the trade mark at issue. The information within exhibit WR30 relates back to the evidence and witness statement provided by Mr Norman, which I have briefly addressed earlier. In that evidence Mr Norman, disappointed with the quality of a hot tub he had purchased from HotPriceTubs Ltd, had referenced the applicant Better Living Outdoors Limited twice, firstly in an email in which the context was clear that the applicant received excellent feedback and reviews and that Mr Norman regretted not making his initial purchase from the applicant rather than HotPriceTubs Ltd. Secondly, in a poster created by Mr Norman and posted onto the Facebook page of HotPriceTubs Ltd, where again, the applicant, from whom Mr Norman had purchased a new hot tub, was referred to very prominently, with the clear intention to distinguish between what Mr Norman perceived as a poor experience from HotPriceTubs Ltd and subsequently a far better, higher quality experience from Better Living Outdoors Limited. It has been stated that the HotPriceTubs Ltd Facebook page has now been deleted and it also appears to be the case that the company itself is no longer trading. What Mr Roberts asserts, with supporting evidence from Mr Norman, is that a Director of HotPriceTubs Ltd is now the/one of the Directors of Buildaspa Limited, the proprietor of the contested trade mark registration.

50. Within exhibit WR30 the applicant has provided a number of extracts from the Companies House website and a number of press articles relating to a Mr Dean Morley who established HotPriceTubs Ltd. These articles provide photographs of Mr Morley with his business partner in HotPriceTubs Ltd, a Mr Garon Sidhu. The extracts from Companies House show that Mr Morley was a Director of HotPriceTubs Ltd before it was dissolved and that he was born in April 1992 and had a correspondence address, being 20-22 Wenlock Road, London, N1 7GU. Mr Garon Sidhu is also listed as a Director of HotPriceTubs Ltd. Further Companies House extracts relating to the proprietor in this matter, Buildaspa Limited, show a Mr Dean Thomas as a Director. He was also born in April 1992 and also lists his correspondence address as 20-22 Wenlock Road, London, N1 7GU. Finally, an extract from Companies House relating to a company called DEANSID Limited lists a Mr Dean Thomas Morley as a Director along with Mr Garon Sidhu. Mr Dean Thomas Morley is shown to have been born in April 1992.

51. Mr Roberts suggests that if it is the case that the proprietor in this matter is the same person who was a Director of HotPriceTubs Ltd, this would prove that Buildaspa Limited must have been aware of an undertaking in the same area using the name 'Better Living Outdoors' in the retailing and supply of hot tubs.

52. Finally, exhibit WR31 comprises a 'letter before action' which the applicant received in October 2020 from the proprietor's solicitors JMW Solicitors LLP. In that letter the proprietor established that it owns the trade marks at issue and demanded that the applicant cease use of the name 'better living outdoors'.

53. I note that in that letter the proprietor's representatives state:

"The Sign is conceptually, aurally and visually identical to our client's Mark. You are using the Sign in relation to hot tubs, which is an identical product to that which our client's Mark covers under Class 11."

54. The letter also states that the services provided by the applicant infringe the proprietor's trade mark rights.

55. Mr Roberts states that he has seen no evidence that the proprietor has ever used any of the three marks it has registered, and he doubts that there is any intention by Buildaspa Limited to use those marks. He asserts that the trade mark registration at issue was filed in an attempt to disrupt the honest trading activities of Better Living Outdoors Limited and to prevent the applicant from using the trade name 'better living outdoors'.

56. As a result of what Mr Roberts perceives to be purely malicious actions towards the applicant, he states that the registration should be declared invalid and that his full costs should be awarded, amounting to a request of off-scale costs.

Legislation

57. In respect of invalidation proceedings, grounds based upon section 5(4)(a) of the Act are relevant because of the provisions set out in section 47 of the Act, the relevant parts being as follows:

47. (1)

[...]

(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.

[...]

(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) ground of cancellation

58. Section 5(4)(a) of the Act states:

“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.”

59. Subsection (4A) of Section 5 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.”

60. Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Trade Marks Act relied on in these proceedings are derived from an EU Directive. This is why this decision continues to make reference to EU trade mark law.

61. In *Discount Outlet v Feel Good UK*,¹ 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).”

62. 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:

¹ [2017] EWHC 1400 IPEC

“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.”

Relevant date

63. In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11, Mr Daniel Alexander QC, as the Appointed Person, endorsed the registrar's assessment of the relevant date for the purposes of section 5(4)(a) of the Act, as follows:

"43. In *SWORDERS TM O-212-06* Mr Allan 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.'

64. The proprietor has made no claim to have used the contested marks prior to the filing date of the application. That being the case, the matter must be assessed as at the date of filing, which is 26 April 2020.

Goodwill

65. 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."

66. 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.”

67. 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.”

68. In *Smart Planet Technologies, Inc. v Rajinda Sharm* [BL O/304/20], Mr Thomas Mitcheson QC, as the Appointed Person, reviewed the following authorities about the establishment of goodwill for the purposes of passing-off: *Starbucks (HK) Ltd v British Sky Broadcasting Group Plc* [2015] UKSC 31, paragraph 52, *Reckitt & Colman Product v Borden* [1990] RPC 341, HL and *Erven Warnink B.V. v. J. Townend & Sons (Hull) Ltd* [1980] R.P.C. 31. After reviewing these authorities Mr Mitcheson concluded that:

“.. a successful claimant in a passing off claim needs to demonstrate more than nominal goodwill. It needs to demonstrate significant or substantial goodwill and at the very least sufficient goodwill to be able to conclude that there would be substantial damage on the basis of the misrepresentation relied upon.”

69. However, a small business which has more than a trivial goodwill can protect signs which are distinctive of that business under the law of passing off even though its goodwill and reputation may be small. In *Lumos Skincare Limited v Sweet Squared Limited and others* [2013] EWCA Civ 590, the Court of Appeal in England and Wales held that the defendant had passed off its LUMOS nail care products as the claimant's goods. The claimant had been selling LUMOS anti-ageing products since 2007. The goods retailed at prices between £40 and £100 per bottle. The Claimant's sales were small, of the order of £2,000 per quarter from early 2008 to September 2009, rising to £10,000 per quarter by September 2010. The vast majority of these sales were to the trade, including salons, clinics and a market. As at the relevant date (October 2010) the Claimant had sold to 37 outlets and by that date it was still selling to 25 outlets. There was evidence of repeat purchases. Although the number of customers was small, or, as the judge at first instance put it, “very limited”, the claimant's goodwill was found to be sufficient to entitle it to restrain the defendant's trade under LUMOS.

70. In *Comic Enterprises Ltd v Twentieth Century Fox Film Corporation* [2016] EWCA Civ 41, Kitchin LJ considered the role of the average consumer in the assessment of a likelihood of confusion. Kitchen L.J. concluded:

“... if, having regard to the perceptions and expectations of the average consumer, the court concludes that a significant proportion of the relevant public is likely to be confused such as to warrant the intervention of the court then it may properly find infringement.”

71. I have summarised the applicant’s evidence above. In particular, I note the fact that the applicant has been trading under the name ‘Better Living Outdoors’ since May 2016, almost 4 years prior to the relevant date for these proceedings. In that time the applicant has spent more than £156,000 advertising and promoting its goods and services and had a turnover of £463,903 for the year 2018 alone. I also note that the invoices provided under exhibits WR9 – WR12 show that the applicant has made sales to customers across a wide geographical area including Devon, Cambridgeshire, Glasgow, Aberdeen, Lanarkshire, Bristol, Gloucester, Oxford, London, Liverpool, Blackpool, Lincoln, Telford, Surrey, Kent and Essex.

72. I have noted that the applicant commonly uses the plain words BETTER LIVING OUTDOORS in literature, on invoice headings and in social media, but also uses a number of stylised variant marks, as displayed in exhibits WR5, WR6, WR8, WR14, WR18, WR19 and WR20, however I find that all of the variants shown in evidence are acceptable variant use in which the distinctive character of the mark BETTER LIVING OUTDOORS is undiminished. The evidence also shows that the applicant has a reasonable social media presence, currently enjoying almost six thousand followers to its Facebook page. I note the applicant’s membership of BISHTA, which is a regulatory body in the field of hot tubs and water hygiene management, that monitors the industry in the UK and Ireland. Finally, I note the very high number of satisfied customers providing reviews of the applicant’s goods and services, with the vast majority scoring the applicant 5 out of 5 for the quality of its goods and services.

73. Taking the evidence as a whole I conclude that the applicant does hold goodwill, which is more than nominal, in the mark ‘BETTER LIVING OUTDOORS’, in relation to all of the goods and services on which it relies, and which I have set out previously in paragraph 5 of this decision.

74. I find that at the relevant date, the mark 'BETTER LIVING OUTDOORS' would have been known to a significant part of the relevant public i.e. consumers and potential consumers of hot tubs.

75. Having found that the applicant holds goodwill in the unregistered sign 'BETTER LIVING OUTDOORS' I must now consider whether misrepresentation would occur.

Misrepresentation

76. 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."

77. Turning to the question of who may be deceived, I must consider the ‘end-user’, i.e. that consumer which purchases a hot tub or spa from a retailer or distributor of such goods.

78. In *Lumos Skincare Limited v Sweet Squared Limited* and others [2013] EWCA Civ 590, Lord Justice Lloyd stated that:

“...it seems to me that the customers for the Claimant's products, upon whom any misrepresentation might have an adverse effect, must be both the direct purchasers, by way of trade (whether the salons and clinics or retail outlets such as Kensington Wholefoods), and also the end users, whether these pay for the use of the product by way of a treatment at a salon or clinic or whether they also buy supplies themselves, and if so whether from a salon or clinic, from a retail outlet or via the internet. In practice, the end users are more likely to be misled by a misrepresentation, because the trade purchasers will know more about the market and about the Claimant and its product range.”

79. In *W.S. Foster & Son Limited v Brooks Brothers UK Limited*, [2013] EWPC 18 (PCC), Mr Iain Purvis QC, as a Recorder of the Court stated that:

“54. Mr Aikens stressed in his argument the difference between ‘mere wondering’ on the part of a consumer as to a trade connection and an actual assumption of such a connection. In *Phones 4U Ltd v Phone 4U.co.uk Internet Ltd* [2007] RPC 5 at 16–17 Jacob LJ stressed that the former was not sufficient for passing off. He concluded at 17:

‘This of course is a question of degree – there will be some mere wonderers and some assumers – there will normally (see below) be passing off if there is a substantial number of the latter even if there is also a substantial number of the former’.

80. I have previously concluded that the applicant holds goodwill in the earlier unregistered sign ‘BETTER LIVING OUTDOORS’ for the goods and services set out in paragraph 5 of this decision. Both parties appear to agree that the applicant’s sign and the contested sign are the same. Indeed, the ‘letter before action’ which the applicant received from the proprietor’s representatives in

October 2020 states clearly that as far as the proprietor is concerned the signs at issue are conceptually, aurally and visually identical and that the goods at issue are identical products. That letter also states that the services provided by the applicant infringe the proprietor's trade mark rights, suggesting that the proprietor finds the services of the applicant to be at least similar enough to the goods and services of its client to cause infringement.

81. I agree with the position set out in the proprietor's letter to the applicant. I find the marks and the goods at issue to be identical. I also accept, as was argued by the proprietor's legal representative, that the services are sufficiently similar so as to cause infringement. In light of these similarities and the goodwill enjoyed by the applicant I consider that a substantial number of the relevant public are likely to be misled into purchasing the goods/services of the proprietor in the belief that they are those of the applicant, leading to misrepresentation.

Damage

82. In *Harrods Limited V Harrodian School Limited* [1996] RPC 697, Millett L.J. described the requirements for damage in passing off cases like this:

"In the classic case of passing off, where the defendant represents his goods or business as the goods or business of the plaintiff, there is an obvious risk of damage to the plaintiff's business by substitution. Customers and potential customers will be lost to the plaintiff if they transfer their custom to the defendant in the belief that they are dealing with the plaintiff. But this is not the only kind of damage which may be caused to the plaintiff's goodwill by the deception of the public. Where the parties are not in competition with each other, the plaintiff's reputation and goodwill may be damaged without any corresponding gain to the defendant. In the Lego case, for example, a customer who was dissatisfied with the defendant's plastic irrigation equipment might be dissuaded from buying one of the plaintiff's plastic toy construction kits for his children if he believed that it was made by the defendant. The danger in such a case is that the plaintiff loses control over his own reputation.

83. In light of the aforesaid, I find that damage would occur in the diversion of sales of identical and closely linked/ancillary goods and services from the applicant to the proprietor. I also find that there is a danger in this instance that the applicant may lose control of its reputation which could be damaged in the event that e.g. a consumer purchases a hot tub from the proprietor which is subsequently perceived to be of an inferior quality. That being the case, the application for invalidation based upon section 5(4)(a) succeeds entirely.

84. I turn now to the second ground of cancellation, which has been brought under section 3(6) and a claim of bad faith on the part of the proprietor.

Section 3(6) ground of cancellation

85. 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.”

86. Section 47 of the Act states:

“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).

87. 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).

88. 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 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 applicant knew that another party used the trade mark in the UK does not establish bad faith: *Lindt, Koton* (paragraph 55). The 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 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 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.

89. 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 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?

90. The 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*.

91. The matter must be judged at the relevant date, which is the date of the application for registration: *Lindt*.

92. It is necessary to ascertain what the 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*.

93. 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.

94. 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*.

95. Bad faith has been defined as dishonest behaviour and dealings falling short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area (*Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] RPC 367 at 379). In *Red Bull v Sun Mark*, it was emphasised that convincing evidence of bad faith is required due to the

seriousness of the allegation ((*Red Bull GmbH v Sun Mark Ltd and Sea Air & Land Forwarding Ltd*) [2012] EWHC 1929 (Ch) at 133).

96. In *Chocoladefabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH*, Case C-529/07, the CJEU stated that:

“46.....the fact that a third party has long used a sign for an identical or similar product capable of being confused with the mark applied for and that that sign enjoys some degree of legal protection is one of the factors relevant to the determination of whether the applicant was acting in bad faith”.

47. In such a case, the applicant’s sole aim in taking advantage of the rights conferred by a Community trade mark might be to compete unfairly with a competitor who is using the sign which, because of characteristics of its own, has by that time obtained some degree of legal protection.

48. That said, it cannot be excluded that even in such circumstances, and in particular when several producers were using, on the market, identical or similar signs for identical or similar products capable of being confused with the sign for which registration is sought, the applicant’s registration of the sign may be in pursuit of a legitimate objective.

49. That may in particular be the case.....where the applicant knows, when filing the application for registration, that a third party, who is a newcomer in the market, is trying to take advantage of that sign by copying its presentation, and the applicant seeks to register the sign with a view to preventing use of that presentation.

50. Moreover.....the nature of the mark applied for may also be relevant to determining whether the applicant is acting in bad faith. In a case where the sign for which registration is sought consists of the entire shape and presentation of a product, the fact that the applicant is acting in bad faith might more readily be established where the competitor’s freedom to choose the shape of a product and its presentation is restricted by technical or commercial factors, so that the trade mark proprietor is able to prevent his

competitors not merely from using an identical or similar sign, but also from marketing comparable products.

51. Furthermore, in order to determine whether the applicant is acting in bad faith, consideration may be given to the extent of the reputation enjoyed by the sign at the time when the application for registration as a Community trade mark is filed.

52. The extent of that reputation might justify the applicant's interest in ensuring wider legal protection for his sign."

97. It is my belief that the evidence provided by Mr Norman, combined with the evidence shown in exhibit WR30 from Mr Roberts, is persuasive in this matter. The evidence provided from the records of Companies House, shows that the company HotPriceTubs Ltd, from whom Mr Norman purchased a defective product, was being operated by a Mr Dean Morley, who was born in April 1992 and who had a correspondence address of 20-22 Wenlock Road, London, N1 7GU. The evidence from Companies House also shows that Buildaspa Limited (the proprietor) is operated by a Mr Dean Thomas who was also born in April 1992 and who shares the same correspondence address, 20-22 Wenlock Road, London.

98. A further Companies House extract shows that a third company, DEANSID Limited, has been operated by a Mr Dean Thomas Morley, born in April 1992, in conjunction with a Mr Garon Sidhu, who is also listed as a Director of HotPriceTubs Ltd. I find that this is likely to be more than a coincidence and I conclude that Mr Dean Morley and Mr Dean Thomas are very likely to be one and the same person, Mr Dean Thomas Morley. With that in mind, I conclude that the proprietor(s) of HotPriceTubs Ltd would have become aware of the applicant Better Living Outdoors Limited, due to the activities of Mr Norman in expressing his disappointment in the quality of the goods and services he experienced when dealing with HotPriceTubs Ltd. Mr Norman made it very clear to HotPriceTubs Ltd, that he regretted not taking up the services of Better Living Outdoors Limited initially, as they enjoyed such a good reputation, and he later used a poster to vent his frustration with HotPriceTubs Ltd, posting it onto their own Facebook

page. Accepting, as I do, that there is a link between Buildaspa Limited and HotPriceTubs Ltd, it is inconceivable, in my opinion, that Buildaspa Limited filed the marks at issue on 26 April 2020 whilst being unaware of the existence of the applicant.

99. In this regard I take note of the fact that, aside from the TM8 defence and counterstatement, the proprietor has submitted no arguments by way of written submissions or evidence, challenging the claims made by the applicant. This lack of a rebuttal assists me in my assessment as to whether, the proprietor when it applied to register the trade marks, acted in bad faith in that its conduct fell short of the standards of acceptable commercial behaviour.

100. The expression 'Better Living Outdoors' has been found to be a distinctive construction which is sufficient to function as a badge of origin. It is not, I would argue, a natural combination that springs to mind when considering hot tubs. It may allude to goods or services that are used outdoors, but this, in and of itself, does not lend the expression naturally to the goods or services at issue. I find it highly unlikely therefore, that the proprietor would have come to such an expression innocently. It is far more likely, I believe, that the efforts of Mr Norman, in which he referred to Better Living Outdoors at least twice during engagement with HotPriceTubs Ltd, served to introduce the proprietor to the mark at issue, within the context of high quality goods and services. The adoption of the expression and subsequent filing of a trade mark application, in conjunction with a complete lack of evidence from the proprietor that it uses or has used the mark at any time, persuades me that the applicant is correct in its assertion of bad faith.

101. In *Trump International Limited*, it was found that an application to register a mark is likely to have been filed in bad faith where the applicant intended to gain an unfair advantage by exploiting the reputation of a well-known name. It is my finding that the proprietor in this matter, having been made aware of the good name and reputation of the applicant, something that has been established in evidence, made a decision to file the marks at issue in order to either damage the business of the applicant or to gain unfair advantage by passing itself off as the

applicant. Accordingly, the cancellation action brought under section 3(6) is successful.

Conclusion

102. The cancellation action has been entirely successful under both the section 5(4)(a) ground and the section 3(6) ground. Subject to appeal, the contested registration will be declared invalid in its entirety.

Costs

103. The applicant has been successful and is entitled to a contribution towards its costs. I bear in mind that the relevant scale is contained in Tribunal Practice Notice 2/2016.

104. I note the request by the applicant for an award of costs off the usual scale due to what Mr Roberts claims were “purely malicious actions towards the applicant on the part of the proprietor”. I have considered this request however the Intellectual Property Office Tribunal is a low-cost Tribunal intended to provide all parties with access to justice without the fear of facing overwhelming legal costs. The Tribunal does not operate on an actual cost basis, hence the scale set out in TPN 2/2016. The proprietor, having filed a defence to this action has subsequently failed to follow up with further submissions or evidence in support of its registration, therefore the applicant has only had to provide evidence in support of the pleadings it made initially under sections 5(4)(a) and 3(6), something that it was required to do from the outset. Accordingly, I award on-scale costs, albeit at the higher end of the scale, to the applicant as follows:

Official fee	£200
Preparing the statement of grounds and considering the counter statement	£400
Preparing evidence	£1500

Preparing submissions in lieu of a hearing	£500
<u>Total</u>	<u>£2600</u>

105. I therefore order Buildaspa Limited to pay Better Living Outdoors Limited the sum of £2600. The above 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 18th day of August 2021

**Andrew Feldon
For the Registrar
The Comptroller-General**