

BL O/716/21

CONSOLIDATED PROCEEDINGS

IN THE MATTER OF APPLICATION NO. 3440656

IN THE NAME OF MR ABDESSATAR DABBABI

AND IN THE MATTER OF OPPOSITION THERETO

UNDER NO. 419759

BY MR ABDUL GHALEB

AND IN THE MATTER OF REGISTRATION NO. 3435222

IN THE NAME OF MR ABDUL GHALEB

AND AN APPLICATION FOR A DECLARATION OF INVALIDITY THERETO

UNDER NO. 503109

BY MR ABDESSATAR DABBABI

Background and pleadings

1. Mr Abdessatar Dabbabi (“Party A”) applied to register the trade mark:

Hairsowen

in the UK on 30 October 2019. The application was accepted and published in the Trade Marks Journal on 13 December 2019, in respect of the following services:

Class 44: Barbershops; Barber services; Barber shop services; Barber shops; Barbers' services; Barbers' shops; Barbershops; Services of a barber.

2. Mr Abdul Ghaleb (“Party B”) opposes the application on the basis of sections 5(1), 5(2)(a) and 5(2)(b) of the Trade Marks Act 1994 (“the Act”). Initially Party B also opposed the application under section 5(3), but subsequently failed to submit evidence supporting this ground, which has now been deemed withdrawn.
3. The opposition is based on earlier UK registration 3435222 which was filed on 9 October 2019 for the mark **HAIRSOWEN**. It was registered on 31 January 2020, for the following services:

Class 44: Barber services; Barber shop services; Barber shops; Barbers' services; Barbers' shops; Barbershops; Hair care services; Hair cutting; Hair cutting services; Hair dressing salon services; Hair salon services; Hair salon services for children; Hair salon services for men; Hair styling; Hair styling services; Hair treatment; Haircare services; Hairdressing; Hairdressing salon services; Hairdressing salons; Hairdressing services; Hair care services; Hair cutting; Hair cutting services; Hair dressing salon services; Hair salon services; Hair salon services for children; Hair salon services for men; Hair styling; Hair styling services; Hair treatment; Hair treatment services; Haircare services; Hairdressing; Hairdressing salon services; Hairdressing salons; Hairdressing services; Barber services; Barber shop services; Barber shops; Barbers' services; Barbers' shops; Barbershops.

4. In the statement of grounds for the opposition, Party B claimed that the marks and the services at issue are the same. Party A filed a counterstatement denying the claims.
5. At this point these opposition proceedings were joined with an application for invalidation of Party B's UK registration 3435222 (CA503109).
6. Cancellation action 503109 was filed by way of a TM26(I) on 14 April 2020. The cancellation applicant is Mr Abdessatar Dabbabi (Party A). The cancellation action is based on section 5(4)(a) and section 3(6) of the Act.
7. In the statement of grounds for the cancellation action, Party A states that it has used the unregistered trade mark HAIRSOWEN since 6 October 2005 in Halesowen, Birmingham, England on the following services:

Barber services; Barber shop services; Hair care services; Hair cutting; Hair cutting services; Hair dressing salon services; Hair salons; Hairdressing services; Hair care services; Hair cutting; Hair cutting services; Hair dressing salon service.

8. As a result, Party A claims that use of the registered services of Party B would amount to passing off. In the matter of the section 5(4)(a) claim, Party A stated the following:

The mark "HAIRSOWEN" was first used as the name of a barber shop, now owned by Mr. Abdessatar Dabbabi (Party A) on 6th October 2005, at 194 Stourbridge Road, Halesowen, Birmingham, UK.

In 2019, new tenancy terms with the management of the landlord, Mr. Abdul Ghaleb (Party B) arrived. With increasing rent, Party A terminated the tenancy with Party B and moved a short distance away to continue his successful business under "HAIRSOWEN".

Party B has subsequently registered an identical trade mark, HAIRSOWEN (UK00003435222) for identical services within class 44, and continues to own the former premises.

By allowing this mark, it directly fulfils the 3 criteria of passing off as seen in *Reckitt & Colman Ltd v Borden Inc* [1990]. Party A has built up goodwill with a clever play on words and excellent service, HAIRSOWEN has become well-known amongst residents and clientele of the local area through its strong reputation. The use of this mark by Party A can be seen with insurance documents from 2005, utility bills addressed personally to Party A, next to the trading as name of HAIRSOWEN, and Google Earth imagery from October 2009 showing the premises with the name HAIRSOWEN.

Party B's registration and ownership of the previous premises makes an obvious misrepresentation. With opposition by Party B to Party A's own trade mark application (UK00003440656) and legal threats, as it stands Party A will be unable to continue to use the name his business has used for the previous 15 years. Therefore, previous clients, and those recommended of his services will visit the previous premises and mistakenly believe they will be receiving hairdressing service from Party A's HAIRSOWEN business that has previously been in those premises for fifteen years.

Damages will therefore be foreseeable as previous clients are unlikely to know that this service they are now receiving in the same premises under the same name, are not those carried out by Party A and the original HAIRSOWEN business. Furthermore, with 15 years' experience, any services (provided by Party B) are likely to be of substandard quality, affecting HAIRSOWEN's future reputation.

9. Regarding the section 3(6) ground of bad faith, which is focussed on all of Party B's registered services, Party A states:

The mark "HAIRSOWEN" was first used as the name of a barber shop, now owned by Party A on 6th October 2005 at 194 Stourbridge Road, Halesowen, Birmingham, UK. Party A came to subsequently to own the business in 2010, purchasing it from the previous owner, which explicitly included the name of the business, HAIRSOWEN.

Throughout the course of this business activity, the business premises have been rented out by Party B. In the summer of 2019, following a dispute over a

rental increase and other terms of the lease, relations between Party A and his landlord Party B broke down, leading Party A to seek new premises to continue the running of his business HAIRSOWEN.

During this period on 9th October 2019, a registration was made by Party B for the trade mark HAIRSOWEN (Registration number: UK00003435222) in class 44 for the aforementioned goods and services in this form. This registration is identical both conceptually, phonetically, and visually to Party A's business HAIRSOWEN, registered for identical services that his business had been offering for the previous fifteen years.

This trade mark application by Party B therefore was quite clearly made in bad faith, which contravenes section 3(6) of the Trade Marks Act 1994. Lindsay J in *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] RPC, found elements of bad faith include "dishonesty", and 'dealings which fall short of the standard of acceptable commercial behaviour'. As the former landlord, registering a trade mark identical to the business name of his former tenant whom he was in a rental increase dispute with no doubt satisfies these elements, with the application being made purely to block Party A from using the name of his business (*HTC Corp v One Max Ltd* (O/486/17)).

Accordingly, Party A believes that Party B's behaviour should be considered as bad faith and the intention of the application was to interrupt the business proceedings of Party A, as a reasonable landlord would know he would only own the premises and have no business interest in any of his tenants businesses.

10. Party B filed a counterstatement in which it denied all of the claims made by Party A. It asserts that the mark at issue HAIRSOWEN has been a part of its commercial property for the last 20 years. It states that the name has been used in trade by all three previous barbers who worked from its premises and that Party A is merely the most recent barber to have traded under that name from the premises owned by Party B. Party B states that the name HAIRSOWEN existed for 5 years before Party A began using the premises of Party B and that the name has a 20 year reputation.

11. In respect of both actions, only Party A has submitted evidence or written submissions. Neither party requested a hearing, so a decision will be made following a careful perusal of the papers before me.
12. Party A has been professionally represented throughout these proceedings by BKIP Ltd. Party B is unrepresented.
13. As Party B's registered mark is relied upon as the sole basis of the opposition against Party A's application, it is convenient to deal with the cancellation action first. I will return to consider the opposition of Party A's application, should it be necessary to do so following my conclusions in the cancellation matter.
14. 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 Act relied on in these proceedings are derived from an EU Directive. This is why this decision continues to make reference to the trade mark case-law of EU courts.

Evidence

15. On 20 January 2021 the representative of Party A submitted evidence in relation to the cancellation action. That evidence comprised a witness statement of Mr Abdessatar Dabbabi (Party A) accompanied by exhibits AD01 – AD08.
16. In his witness statement, Mr Dabbabi states that he is the owner of a hairdressing business named Hairsowen, which he has owned since 2010. He adds that the business has been using the name since October 2005 and that he purchased it from the original owner a Mr Mirzar. Mr Dabbabi asserts that he has been the sole owner of the name since 2010.
17. Mr Dabbabi states that Mr Ghaleb (Party B) is the owner of the premises 194 Stourbridge Road, Halesowen, and that he was his tenant, as this was the address of his hairdressing business. However, Mr Dabbabi states that in the summer of 2019 the relationship between the parties soured, partly due to a rent increase. In October 2019 Party B submitted trade mark application (UK3435222) which is the

subject of this cancellation action, for the identical name as Mr Dabbabi's business name, and for identical services.

18. Mr Dabbabi provides several exhibits to support his claim that Party B filed its trade mark application in bad faith.
19. Exhibits AD03, AD04, AD05 and AD06 are pieces of correspondence between Mr Dabbabi (or his solicitor), and Party B, which set the scene regarding the change in circumstances in the relationship. Notably it appears that a rental increase and some confusion over the ownership/rights in relation to the premises, escalated matters to the point that Mr Dabbabi made plans to relocate his business.
20. Mr Dabbabi claims that Exhibit AD01 comprises a number of screenshots of a conversation between the former owner of Hairsowen, Mr Mirzar, and Party B. Mr Dabbabi states that this exhibit clearly shows that Party B was aware that Mr Dabbabi was the owner of the name Hairsowen and the business. He adds that this evidence is in complete contrast to the statement made by Party B in its counterstatement in the TM8 form.
21. I note that the information in AD01 is undated and that the name of Mr Mirzar is not specifically set out in any of the screenshots. However, I also take note that the initiator of the conversation establishes that his name is Abdul Karim Abdullah (AKA) and that he is the son of a person named Abdullah Ali Ghaleb. He asks the other person in the conversation if he can verify something for him. The conversation went like this:

AKA:

"I just need to verify something... Ahmad Altunisy (abdessatar dabbabi) who took after you in the shop. What was your business relationship with him? Did he purchase the equipment from you only?... He is moving out very soon now & I would like to know how he dealt with you."

Respondent:

"He bought the business from me with every this in the shop"

AKA:

“Ok was it originally documented on paper or verbally?”

Respondent:

“I made a receipt for him”

AKA:

“When you say the business does it include the name hairsowen?”

Respondent:

“Yes the name and the fitting of the sho”

AKA:

“Is it possible to carry on trading under that name or does he officially own it?”

Respondent:

“He owns the name”

22. Exhibit AD02 comprises an email from Mr Omar Mirzar and is dated 13 March 2020. In his email Mr Mirzar states that he set up the Hairsowen business alone in 2005. He states that he rented a commercial property from Mr Abdul Ghaleb in October 2005 and used that property to trade as a barbershop under the name ‘Hairsowen’. He states that in 2010 he sold Hairsowen, including all fixtures and fittings to Mr Abdessatar Dabbabi (Party A). Mr Mirzar further adds in his email that Mr Ghaleb (Party B) knows of the sale of the business and its name, as Mr Ghaleb contacted Mr Mirzar to ask what had happened to the business and to ask if he was able to trade under the Hairsowen name, to which Mr Mirzar replied that he could not, as the name is now owned by Mr Dabbabi.

23. I conclude that the conversation set out in AD01 is that which Mr Mirzar refers to in AD02 and that Mr Mirzar is the respondent during that conversation. I also find that Abdul Karim Abdullah, who establishes himself that he is the son of Abdullah

Ali Ghaleb, is party B in this matter. Further I conclude that where Party B states in that conversation that Ahmad Altunisy (abdessatar dabbabi) “is moving out very soon now”, this allows me to date this exchange based on information that is set out in exhibit AD06, where correspondence between Party A’s representative and Party B discuss Mr Dabbabi’s intention to transfer his business to other premises. In that exhibit, Party B states that Mr Dabbabi intends to open for business in new premises on 6 January, and as such he expected to receive one month’s notice of this, i.e. no later than 6 December 2019. From this I conclude that the conversation set out in exhibit AD01 between Party B and Mr Mirzar took place sometime between October and December 2019.

24. Exhibit AD07 comprises a variety of documents dating from 2005, which Mr Dabbabi states support his claim that the hairdressing business HAIRSOWEN, operating out of 194 Stourbridge Road, was being run by him and not Party B. This information includes an energy statement dated 11 April 2018 from ‘npower business’ to ‘Mr Abdessatar Dabbabi Ta Hairsowen’ and is addressed to 194 Stourbridge Road, Halesowen. AD07 also provides a non-domestic rate bill dated 19 February 2018 to ‘Mr Abdessatar Dabbabi T/a Hairsowen’ and is addressed to 194 Stourbridge Road, Halesowen. It states that charges are for a Hairdressing Salon and Premises. Also provided is a water bill dated 30 April 2018 which is directed to Mr Abdessatar Dabbabi T/a Hairsowen at 194 Stourbridge Road, Halesowen.

25. Exhibit AD08 provides screenshots that are dated 20 January 2021 from Hairsowen’s google review page. Mr Dabbabi claims that this information shows he has a strong reputation in his business and that there is no mention of Party B’s claimed business. This information is out of scope in terms of the relevant date and cannot therefore be taken into account.

26. Party A also provided written submissions in lieu of a hearing, on 3 August 2021, which covered much of the information previously set out in its statement of grounds and in the witness statement and evidence of Mr Dabbabi. I will not summarise those submissions here but will refer to them where appropriate throughout my decision.

27. Party B provided no evidence in support of either the cancellation or opposition actions and has filed no written submissions of any kind other than the initial counterclaim in the cancellation action and a brief statement of grounds in the opposition of Party A's application, both of which have been summarised above.

Legislation

28. 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

29. 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.”

30. 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.”

31. 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).”

¹ [2017] EWHC 1400 IPEC

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 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

33. 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.’”

34. Party B has made no claim to have used the contested mark 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 9 October 2019.

Goodwill

35. 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.”

36. 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.”

37. 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.”

38. 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.”

39. 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.

40. 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.”

41. I have already summarised Party A’s evidence. Taking the evidence as a whole I conclude that Party A has not proven that it holds any goodwill in the mark ‘Hairsowen’ in relation to the services claimed. I come to this finding based on the evidence before me and application of the relevant case law. It seems clear to me that at the relevant date, Party A was trading under the name Hairsowen and providing barbering services. However, the evidence is deemed to be insufficient for me to conclude that Party A has established goodwill. In this regard I refer back to the comments of Mr Mitcheson set out above in paragraph 38. Party A has provided no sales invoices or turnover figures in evidence with which to establish its position in the market. The evidence also provides no information as to promotional or marketing activities undertaken by Party A to build its business further and the only examples showing consumer experience and feedback to the services provided by Party A are dated outside of the relevant period and cannot be taken into account. Therefore, Party A has failed to prove that it has the reputation necessary to make a successful claim of passing off.

42. I must conclude therefore, that having failed to establish goodwill in the mark at issue, the claim made by Party A insofar as it relates to section 5(4)(a) of the Act must fail.

43. 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 Party B.

Section 3(6) ground of cancellation

44. 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.”

45. 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).

46. 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).

47. 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.

48. 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?

49. 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*.

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

51. 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*.
52. 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.
53. 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*.
54. 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).
55. 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."

56. I find that the evidence provided by Party A, notably under exhibits AD01 and AD02, clearly establishes the fact that Party B, having been in dispute with Party A over unpaid rent and aware that Party A may choose to relocate its business, contacted the previous owner of the Hairsowen business, Mr Mirzar, specifically to establish where the ownership of the name Hairsowen lay. This evidence, which has gone entirely undisputed by Party B, shows that Mr Mirzar coined the

expression Hairsowen, which I take to be a play on the geographical location of the barber shop in Halesowen, and that Party B clearly accepts that Mr Mirzar was the owner of the name, directly contradicting the claim Party B makes in its counterstatement, that it has owned the name for 20 years.

57. It simply cannot be disputed that the fact that Party B contacted a third party to enquire whether that party (Mirzar) had sold the name Hairsowen to Party A, establishes, without doubt, that Party B knew that it did not own the name or had any rights in it at all.

58. Mr Mirzar states that he sold the business and the name Hairsowen to Party A in 2010, which allies with the statements made by Party A and its understanding of the position regarding the name. The evidence establishes that Party B was made clear of the position regarding the sale of the name from Mr Mirzar to Party A and that Party B could therefore not use the name.

59. I remind myself of the case law set out above, in particular I note that “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*.”

60. I find that the actions of Party B were intended to gain an unfair advantage over Party A. Party B knew that Party A intended to move to new premises and I consider it reasonable to conclude that it was likely to be premises located close to the old shop, as to move further away would dilute the impact of the name Hairsowen, being a play on the place name Halesowen, and to stay close to the old premises would serve to ensure that regular/loyal customers could continue to use the services provided by Party A. That being so, it appears to me that the actions of Party B fall far short of “the standards of acceptable commercial behaviour observed by reasonable and experienced men”, as it seems clear that the action taken in applying to register the name would result in one of two possibilities: a) that Party A would be forced to abandon the name that it had

been using since at least 2010, and b) that in the event Party A did not voluntarily give up the name, customers would be faced with two barber shops both named Hairsowen, located in close proximity, and the possibility of legal action brought by Party B against Party A (which has indeed been the case).

61. Therefore, taking notice that Party B has provided no rebuttal of the claims made by Party A, or responded to the evidence which Party A has relied upon; and as no submissions or evidence that may have shed light on the reasons behind the filing of the contested registration have been provided by Party B, I find the evidence of Party A to be compelling and accordingly the cancellation action brought under section 3(6) is successful.

62. Having found that the cancellation action brought against UK registration 3435222 has been wholly successful, the registration is now declared invalid and deemed never to have been made.

63. As a consequence, the opposition proceedings in this matter fail entirely, having been based solely on Party B's UK3435222 registration.

Conclusion

64. The opposition to Party A's application has been dismissed. The cancellation action brought against Party B's registration has been entirely successful under the section 3(6) ground but has failed on the section 5(4)(a) ground.

65. Subject to appeal, the contested application will proceed to registration and the contested registration will be declared invalid in its entirety.

Costs

66. Party A 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.

67. I award costs to Mr Abdessatar Dabbabi as follows:

Official fee for cancellation action	£200
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Considering the statement of grounds and preparing a counter statement	£300
Preparing evidence and filing written submissions in lieu of a hearing	£800
<u>Total</u>	<u>£1300</u>

68.I therefore order Mr Abdul Ghaleb to pay Mr Abdessatar Dabbabi the sum of £1300. 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 29th day of September 2021

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