

O-001-09

TRADE MARKS ACT 1994

**IN THE MATTER OF REGISTRATION No. 2434446
STANDING IN THE NAME OF JOHN PATRICK MALSEED**

AND

**IN THE MATTER OF A REQUEST FOR A DECLARATION
OF INVALIDITY THERE TO UNDER NO. 83029
BY VETERAN CYCLE CLUB**

BACKGROUND

1. On 4 October 2006, John Patrick Malseed applied to register the words SOUTHERN VETERAN-CYCLE CLUB as a trade mark for the following services in class 41:

“Organising veteran bicycle riding in the south of England and advisory services.”

2. The application was examined, accepted and published for opposition purposes; no opposition was filed. The registration procedure was completed on 6 April 2007.

3. On 7 September 2007, Veteran-Cycle Club applied for a declaration of invalidity under section 47 of the Trade Marks Act 1994 (the Act) based on sections 3(6) and 5(4)(a).

4. In this decision I will refer to the Registered Proprietor as Mr Malseed, to the Applicant for Invalidation as VCC and (wherever possible) to the trade marks SOUTHERN VETERAN-CYCLE CLUB and VETERAN-CYCLE CLUB as SVCC and VCC respectively. Given the nature of the dispute, it has been more convenient (and I think accurate) for me to quote directly from the pleadings and evidence filed; when I do so, I have used the indications mentioned above.

5. VCC frame their attack in the following terms:

“3. When [the application]..was filed on 4 October 2006, the VCC had been in existence for 51 years, the inaugural meeting of the club being held on 25th June 1955. In 1987 the SVCC changed its name to the VCC.

4. The Applicant....Mr Patrick John Malseed was a member of the SVCC, from a time in the early 1970s to circa 2006/2007. The Applicant..had at the time that he filed the Application knowledge of the earlier rights owned by the VCC in the words the VCC and the SVCC.....

5. Based on the use which the club has made of the marks SVCC and VCC, they have goodwill in the marks...covering all the services included in the Application...

13. The SVCC and the VCC have been used as indicators of origin and as trade marks as guarantors of origin on the website www.v-cc.org.uk, on the journals “News & Views”, “The Boneshaker” and on the annually published year book. Both signs have been used verbally at the Section meetings of the club, which occur throughout the United Kingdom, and at the Annual General Meeting of the club. The trade marks and signs which form the earlier rights of the Applicant for invalidity SVCC and the VCC have been used on club stationery and club papers and also on advertisements, banners and notices, and at club meetings, club rides, rides, races and at parades and static displays at shows including steam shows which take place throughout the United Kingdom. In addition, SVCC and the VCC have been used as an indicator of origin and as a trade mark in correspondence with club members, who come from all parts of the United Kingdom.”

6. On 27 November 2007, Mr Malseed filed a counterstatement which consists, in essence, of a denial of the grounds on which the Application is based. The following extracts reflect his view of the matter:

“I reject these accusations in their entirety and all other claims made by (VCC) except those itemised below and will show that in my application for registration of the Trade Mark SVCC I have maintained at all times propriety....

4...the claim of Mr Malseed’s length of membership is inaccurate.

5. We ask that the VCC be asked to prove that they have used the marks SVCC during the specified period...

6. It is acknowledged that the mark SVCC dates from the founding of the club in 1955. However as is acknowledged in the Statement of Grounds...the name was changed in 1987 and has not been used as a Trade Mark since. The note “*founded in 1955 as Southern Veteran Cycle Club*” is purely for information and an indication of the former name of the VCC.

7...the use the Club VCC has made of the internet and the use of the marks VCC which point we acknowledge..

8...[N]evertheless we do not dispute that the main emphasis of the VCC can be defined as to promote the riding and conservation of old cycles in addition to the study and exchange of information about the history of cycles and cycling. However “old” is a vague term and is not to be confused with the precise term “veteran”. The type of machine that comes under the heading of “veteran” is the Raison D’etra of the newly formed SVCC.

11. ...deals with the geographical spread of the Club VCC and lists the names of the sections of the club. The name and marks SVCC do not appear in this list, thus indicating that the VCC had no further use of the name for a section.

13. The claims that the SVCC has been used as a Trade Mark is of course denied...

I claim that the words “Founded in 1955 as Southern Veteran Cycle Club” and or the words “Formerly The Southern Veteran Cycle Club” and or the words “Founded as Southern Veteran Cycle Club” are information only and do not constitute trade marks.

NAME CHANGE IN 1987

(1) In 1987 the name of the cycle club, which had hitherto been called SVCC was changed at a democratic meeting to the present day name VCC.

(2) It is maintained the new title of the club VCC was not additional to, but a replacement, the old name was no longer to be used as a trademark. The words “Formerly” and

“Founded in 1955” were to indicate the passing into history the old name of the club SVCC. All this happened twenty years ago.

(4) Prior to the application for the registration...I John Malseed asked the IPO to conduct a search to check that the SVCC name had not been registered...The IPO advised that they could not find an earlier reference to the SVCC name. The information from the IPO coupled with my knowledge of the history of the use of the name SVCC allowed me to proceed with the registration.

(5) The new club....has by virtue of the type of enthusiast and machinery, generated a distinctive character in relation to the services and tenor of the club.

(8) ...SVCC...is and we envisage will remain a very much smaller club that has a distinctive character and reliance on older machines dating from the 19th century and the first few years of the twentieth century....This distinction and difference between the SVCC and the VCC is quite readily understood by the specialist cycling fraternity and no confusion will arise as a result of this reuse of the name SVCC.

CONCLUSION

..I John Malseed wish to retain my cordial relationship with the VCC and in no way wish to undermine the standing the club enjoys in the cycling world.

The SVCC....members are cycle enthusiasts concerned in recreating the past, exclusively interested in veteran cycle rides and how to help each other reproduce accurately authenticate obsolete parts for veteran bicycles.

The VCC abandoned and distanced itself from the earlier name and we assert it has lapsed because it has not been used....”

7. Both parties filed evidence in these proceedings. I note that in the event they are successful, the VCC ask for an award of costs. The matter came to be heard on 29 October 2008. At the hearing the VCC were represented by Mr Kieron Taylor of Swindell and Pearson their professional representatives, and Mr Malseed by Mr John Noble who he had elected to speak on his behalf in this matter.

EVIDENCE

VCC's evidence

8. This consists of seven witness statements, four of which are from Roger Bugg who is the President of the VCC; Mr Bugg's statements are dated 18 January and 19 February 2008. He explains that the contents of his statements are within his personal knowledge and that he is authorised to speak on the VCC's behalf. Mr Bugg has, he explains, been a member of the VCC for 33 years; he was the Honorary Secretary from April 1998 until April 2006, has been the President of the Club since April 2006 and the Acting Secretary since September 2007.

9. The main points emerging from Mr Bugg's first statement are as follows:

- that since 1955 the VCC had established a reputation in relation to academic research in its publications "News & Views" and "The Boneshaker";
- that the VCC offers its members: a research library facility, support from over 100 marque enthusiasts, an annual club camp, over 300 events a year of all types, section social gatherings, a luncheon, full public liability for all members on VCC events, a VCC sales service (which is also available to non-members) and new publications;
- that the trade mark SVCC or the "Southern Vets" was well known throughout the cycling fraternity. As people were keen to join from all over the country and around the world, the name had to be changed to make it clear that membership was not restricted to those living in the south of England or south of the Thames;
- when the SVCC became the VCC in 1987 the original title was kept alive to make it clear that the VCC was still the same club, with the same members, rules and ethos;
- Mr Bugg says:

"The use of the sub-title was never intended to be seen to imply that we had abandoned it. Many members still wear SVCC badges and other regalia and there has never been any attempt to distance ourselves from our past. We are proud of it.";
- exhibit RDB1 consists of extracts taken from the minutes of the 32nd Annual General Meeting of the SVCC held on 25 April 1987 which indicates that: (i) the name SVCC was changed (following a vote) to VCC and, (ii) that it was agreed that for a period of three years all VCC publications would include in their title the wording "formerly the Southern Veteran-Cycle Club";
- exhibit RDB2 consists of extracts taken from the minutes of the 33rd Annual General Meeting of the VCC held on 23 April 1988 which indicates that:

"..whenever practical and without limitation of time the following words shall be used as a subtitle on all written and printed matter emanating from the Club "Founded in 1955 as Southern-Veteran Cycle Club" and that this shall supersede the three year formula agreed at the 1987 A.G.M.";
- that the first the Committee of the VCC knew of the Mr Malseed's registration was an e-mail from the Honorary Secretary (dated 1 July 2007) who had found his trade mark by chance whilst surfing the internet (exhibit RDB12);
- that Mr Malseed had raised the issue of taking the SVCC trade mark to start a new club in March 2002 and again in April 2003;

- exhibit RDB5 consists of the minutes of a VCC Committee Meeting held on 27 February 2002 which contains the following extracts:

“6.4 R. Bugg reported that he had spoken to John Malseed. John is not happy with the way the club is going and he doesn't like N&V and he thinks that we have turned into a lightweight club. He feels there is not enough emphasis given to older machines, he also asked whether the SVCC title was still available since we no longer used it with a view to setting up another club which would give more emphasis to older machines...”

And:

“...John Malseed is to be contacted to be advised of the committee's discussion. John Elsdon pointed out the name “SVCC” belonged to us and therefore could not be used elsewhere.”;

- exhibit RDB6 consists of a letter dated 11 March 2002 from Mr Bugg to Mr Malseed which I note contains the following sentence:

“With regard to the use of the Club's former title, the Committee believes that we retain the right to the title SVCC, and it still appears on our stationery.”

This view was reiterated in a further letter to Mr Malseed from Mr Bugg dated 25 April 2003 (exhibit RDB7);

- exhibit RDB9 consists of an undated letter (but which can be placed somewhere between 29 October 2003 and some time in November 2003) from Mr Malseed to Mr Bugg, in which I note he says:

“I joined the SVCC because it suited my interest in veteran bicycles. Others joined and decided to change it. Make it national and run it from the midlands they did. Oh why didn't they leave us alone in our popular and successful little club. We cannot even have the name to use again.”;

- exhibit RDB10 consists of an extract from the minutes of the VCC's November 2003 meeting (in which it notes that no further action should be taken in relation to the letter mentioned in exhibit RDB9), together with a copy of a letter dated 13 December 2004 (but which Mr Bugg says was from 13 December 2003) in which Mr Malseed is advised that the Committee have noted the points he has raised;

- Mr Bugg says:

“Our records show that John Malseed joined the SVCC on 19 September 1966 and he was in continuous membership of the SVCC and VCC until his membership lapsed in March 2007. Mr Malseed voted by proxy at the 1987 AGM when the change of name from SVCC to VCC occurred. When he filed his application for SVCC on 4 October 2006, he was still a member of the club....;”

- exhibit RDB11 consists of a letter dated 23 August 2007 to Mr Malseed from Derek Roberts who is one of six founder members of the SVCC. Insofar as it is relevant, the letter reads:

“I have been told that you have decided to rename the Essex Section of the VCC the SVCC. Your decision to do this without even a communication to me....

I am puzzled to find that you are proposing to register the name in some way, when I have already agreed with the VCC that they shall continue to use the name of the club which I founded, and which is incorporated in the present title of the VCC..”;

- the VCC, Mr Bugg explains, has 26 sections defined by the geographic areas they cover and 5 special interest groups (exhibit RDB13). He adds that to his knowledge, the Committee has never considered using the SVCC as a title for a section;
- Mr Bugg explains that the goods and services offered under SVCC and VCC have remained consistent. They are, he states, first and foremost a cycle history club and are not and never have been a cycling club. The VCC, says Mr Bugg, have built up a reputation for “research, goods and services”;
- exhibit RDB16 consists of a copy of the Membership Secretary’s Report of 24 November 2007, which shows the total membership of the VCC at that time stood at 2208, a figure which Mr Bugg says has been stable for some years. He adds that people are attracted to the VCC by word-of-mouth recommendations, by reading the VCC’s publications or by seeing them at events;
- Mr Bugg comments that Mr Malseed is taking payment for membership of his club. He adds:

“..Potential members would be confused by the two clubs and this may cost us members and cost us membership income including other charitable gifts which may be made to the VCC. The VCC has for over fifty years been recognised as the foremost club with academic standing for its research into cycle history...The VCC had an income of more than £20,000 this year and this may be damaged by Mr Malseed’s use of SVCC.”;
- He adds:

“...It is important to note that Mr Malseed could have chosen any name, but he chose ours, and could have chosen a name quite different from the present name of the VCC, instead he chose as close a name as possible in order to piggy back off the 55 years of hard work and reputation in SVCC and VCC.”;
- at exhibit RDB21 Mr Bugg provides a range of documentation which, in his view, demonstrates Mr Malseed’s attempts to undermine the VCC and of which he says:

“...[Mr Malseed] wants the trade mark not for his own ends, but to hurt the VCC. It is clear that Mr Malseed’s actions in terms of the trade mark are motivated by this desire to

undermine the standing of the VCC, its Committee and Officers and are motivated by what best can be described as “mischief.”

10. Mr Bugg’s second statement deals with the use the VCC have made of the trade marks SVCC and VCC. The main points emerging from which are as follows:

- that the first use of the trade mark SVCC was at the inaugural meeting of the club held on 25 June 1955 and this name was used until 25 April 1987 when the word “Southern” was dropped;
- the trade mark SVCC is still used as a sub title of the VCC;
- that the first use of the VCC trade mark was 25 April 1987 and it has been used continuously since that date;
- the VCC trade mark has been used on publications, stationery and regalia, the latter of which may be bought by post, at cycle jumbles or other events;
- exhibit RDBA2 consists of the front page of “News & Views” (from December 2007/January 2008), “The Boneshaker” (from Spring 2007), the “2007/2008 Yearbook” and a club sales leaflet (from June/July 2007). All of these documents show the following elements: the words VCC, a shield device which contains the word and letters VETERAN CC and the device of a bicycle, and the words “Founded in 1955 as Southern Veteran-Cycle Club” with the exception of the club sales leaflet which does not contain the words “Founded in...” etc;
- exhibit RDBA3 shows the same elements on letter-headed paper, a compliment slip, and the words VCC on a membership application form (none of the documents are, as far as I can tell, dated);
- exhibit RDBA4 shows the same words and device (mentioned in relation to exhibit RDBA2 above) but in use on an AGM Notice, minutes of an AGM (from April 2006), a proxy voting form (from April 2007) and of the words VCC used on year end accounts (for the period ending 31 December 2006), on an agenda (dating from 28 November 2007) and on minutes (dating from 24 October 2007);
- the VCC, explains Mr Bugg, offers educational services in schools, costumed displays at the Buckinghamshire Railway Centre. He adds that members have taken part in TV and radio programmes and have contributed articles for magazines and newspapers. In addition, the VCC arrange study group weekends, provide displays of machines, speak at social clubs and other meetings and have participated in a range of cycle events - exhibit RDBA6 which consists of the front page of “News & Views” (from August/September 2001) and an undated attendance flyer for the “Wenlock Olympian Games”, refers;
- exhibit RDBA7 consists of another extract from “News & Views” (from October/November 2005) which provides details of the VCC’s fiftieth anniversary, including a reference to a

display held for three months at the National Cycle Museum in Llandrindod Wells about the VCC, its history and activities;

- as a national and international club the VCC as a whole, explains Mr Bugg, meet infrequently. However, he states that most of the 26 sections and 5 special groups meet on a monthly basis; exhibit RDBA8 consists of an undated “Forthcoming Events” section from “News & Views” in which a range of geographically spread events are listed;
- Mr Bugg says:

“Although we are not a cycling club as such and riding was not considered a major part of the VCC’s purpose when it was set up, we have become one of the largest organisers of riding events in the UK”;

Exhibit RDBA9 consists of an example of “The Boot and Back” ride mentioned in the December/January 2002 edition of “News & Views”;

- Mr Bugg explains that the VCC have held an annual camp for members at different locations for nearly 30 years, that they offer a wide range of information relating to cycling through their club library (exhibit RDBA11 consists of an extract from the 2007/2008 Yearbook which shows pages of the VCC catalogue), and a Directory of Services is also provided in the Yearbook an undated extract from which is shown in exhibit RDBA12);
- since its first use in 1987, turnover in the VCC trade mark has been as follows: subscriptions (£466k), club sales (£117k), other income (£34k). Turnover in the period 2002 to 2007 has been as follows:

Year	Turnover (£)
2002	36,764
2003	40,887
2004	45,447
2005	53,389
2006	53,803
2007	24,293 (to 30 June)

- since its first use in 1987 the VCC have spent approximately £1,800 on advertising and promoting the VCC trade mark. This promotion has, explains Mr Bugg, been by way of: Cycling Touring Club York Rallies, The Bicycle Association, the cycling press, the Alexandra Palace Classic Car Shows, the National Cycle Museum, Westminster Council (Blue Plaque), the www.v-cc.org.uk website, through VCC products, membership forms, publications, advertising banners and signage used at events;
- Mr Bugg explains that “in the past year” the VCC has organised or participated in over 300 events in the form of rides, parades, riding displays, static displays and attendance at cycle jumbles. Examples of the locations of these events are provided and are as follows: Birmingham, Kidderminster, London, Knebworth, Preston, Ripley, Tonbridge, York, Hull,

Nottingham, Manchester, Worcester, Much Wenlock, Chelmsford, Hereford, Windsor, Quainton, Dorset, Brighton and Llandrindod Wells.

11. Mr Bugg's third statement comments on exhibit RDBB1 which he says consists of the title page, Forward and copyright page of a publication entitled: "An Encyclopaedia of Cycle Manufactures, The Early Years up to 1918" which was compiled by Ray Miller and published by the VCC in 2006. Mr Bugg notes that the front cover bears a shield device in which appears the word and letters "SOUTHERN V-C C" and the device of a bicycle; I note that the cover also bears a shield device in which appears the word and letters "VETERAN CC" and a device of a bicycle, the letters and words "V-CC Golden Jubilee", a monogram device consisting of the letters VCC and which describes the author Mr Miller as: "Member: Veteran Cycle Club". Mr Bugg notes that in his Forward Derek Roberts describes himself as a "Founder of the Southern Veteran-Cycle Club". In his view:

"This shows that the goodwill in the SVCC was kept alive and that SVCC, was used as a trade mark..."

12. Mr Bugg's fourth and final witness statement comments on exhibit RDBC1 which consists of a range of material published by the VCC. Of these documents Mr Bugg says:

"..These publications show that the VCC still refers to itself by use of the term SVCC and this use has kept alive the term SVCC".

Mr Bugg concludes his statement in the following terms:

"The evidence also shows the broad range of services which the VCC provides. If Mr Malseed were to offer the services which he has referred to in his counter statement as the SVCC, the public will see these services as being services offered by us because of our rights in SVCC, and/or because of our rights in VCC. Also, because of our rights in VCC per se, the public will see the word Southern in SVCC...as relating to one of the many regional groupings of the VCC".

13. I do not propose to summarise all of the documents provided. That said, I note that exhibit RDBB1 contains: (i) copies of "News & Views" for June/July 1988, 1993, 1998, 2003 and 2007, (ii) copies of THE BONESHAKER magazine for Winter 1988, 1993, 1998, 2003 and 2007 and, (iii) copies of the VCC Yearbook from 1989/90, 1995/96, 2000/01 and 2005/06, all of which (with exception of The Boneshaker from 1988 which refers to "Founded in 1955 as the SVCC) contain, inter alia, the text "VETERAN CYCLE CLUB" and "Founded in 1955 as SOUTHERN VETERAN-CYCLE CLUB" on their front page.

14. The fifth witness statement, dated 19 February 2008, is from Lesley Robertson who is the Curator-Cycles at the Coventry Transport Museum. Mrs Robertson explains that she was first introduced to the SVCC in 1976 and has known of the club ever since, adding that she is aware that the VCC was called the SVCC.

15. Mrs Robertson states that she has been in contact with the club on both a professional and personal level for over 30 years, and is aware that in addition to having members who have expertise in several fields, the club also organises national events, such as race meetings, rallies, auto-jumbles and talks and produces and publishes a range of publications.

16. Mrs Robertson says, inter alia:

“If I saw services provided under the brand SVCC, I would assume that such services came from the VCC, as I still think of the VCC as the SVCC, therefore if I saw services offered under the brand the SVCC, I would assume that it was the VCC offering the services.

In terms of how well known the VCC is, I would think if someone has a particular interest in transport history, they will be aware of the VCC and would recognise its trade mark in terms of stimulating interest in all types of old cycles and cycling history, publications about cycling history and organising bicycle rides, rallies, races, and cyclist meeting. The Club is well represented at events other than cycling.”

17. The sixth witness statement, also dated 19 February 2008, comes from David Higman MBE who is the Curator of the National Cycle Museum Trust. Mr Higman explains that he has known of the VCC for about twenty five years and is aware that it was called the SVCC. He says that:

“I consider that VCC acts as a trade mark for the services of stimulating interest in old cycles and cycling history, in providing publications about cycle history and organising bicycle rides, rallies and cyclist meetings.

I consider that VCC acts as a trade mark for these services because the VCC has a long term track record of providing the above services, and during this time has been in the forefront of the promotion of bicycling history.

In my view if I saw services provided under the brand SVCC, I would think that these came from a specific party. I would expect that such services came from the VCC.”

18. The seventh and final witness statement, also dated 19 February 2008, comes from John Liffen who is a Museum Curator responsible for the Communications Collections at the Science Museum, London. Mr Liffen explains that he has known of the VCC and its activities for over 20 years, and that he is aware that it was previously called the SVCC. He states that he has been a member of the club for about 10 years, prior to which he was aware of the club through his responsibilities in the Science Museum. Having explained that the VCC is the only national club in the UK devoted to the study of all matters relating to pedal cycle history, he says inter alia:

“To my knowledge the VCC is the only national club of this sort. There are some local clubs or groups with similar interests, but they appear to exist in harmony with the VCC.

I consider that VCC to be reasonably well known within the UK cycling fraternity generally in relation to the services of stimulating interest in old cycles and cycling history, in providing publications about cycle history and organising bicycle rides, rallies, and cyclist meetings. I do not believe that the VCC is strongly known for promoting these aims by the public generally.

If I saw services provided under the brand SVCC, I would think this was connected with the VCC because SVCC has a fellow identity with the present VCC.”

Mr Malseed's evidence

19. This also consists of seven witness statements. The first, dated 14 April 2008, is from John Noble who is a member of (what I take to be) Mr Malseed's SVCC. At exhibit JAN1 he provides a list of club names taken from the Internet to show what he describes as: “the general likeness and similarity between club names”. The names are as follows: The Southern Veterans Cycling Club, March Veteran and Vintage Cycle Club, National Association of Veteran-Cycle Club (UK), Desford Lane Pedallers Veteran Cycle Club, Benson Veteran Cycle Club, Australian Veteran Cycling Council (AVCC), Victorian Veteran Cycling Council, Eastern Veteran Cycling Club (EVCC), Southern Australian Veteran Cycling Club (SAVCC), ACT Veterans Cycling Club, Waratah Veteran Cyclists Club, Wellington Veteran Cycling Club, Hume Veterans Cycling Club, International Veteran Cycle Association, The German Veteran Cycle Club, Orana Veterans Cycling Club (OVCC), Geelong Veteran Cycling Club, Manukau City Veterans Cycle Club, Colac Veteran Cycling Club and Northern Veteran Cycling Club. Although Mr Noble provides some of the web addresses for the above, he does not provide examples of how the words are used on the websites themselves; it would appear (to me at least) that only four are organisations based in the UK.

20. The second witness statement also dated 14 April 2008 and from Mr Noble, provides at exhibit JAN2 a copy of what he explains are pages 20 and 21 taken from a booklet provided with “News & Views” and entitled “Papers for the 53rd Annual General Meeting 2008” which he says shows the minutes of an Extraordinary General Meeting called by the members of the VCC. Mr Noble does not explain in what way the contents of this exhibit are relevant, but I note that the exhibit appears to consist of discussions within the VCC to halt legal proceedings to retrieve the name SVCC from Mr Malseed.

21. The third witness statement, dated 17 May 2008, comes from Stuart Warburton who is a member of the VCC. Mr Warburton explains that he joined the VCC in 1994. He says, inter alia:

“...I was not aware that the previous title was still coveted or used and I have never heard SVCC name used at any veteran cycle club meeting or event, until the recent dispute.

...I think it is a good thing the SVCC name has been re-activated as it has laid unused since the veteran cycle club abandoned the name in 1987...as the title SVCC is only referenced in a short line on the club publications where it states “Founded in.....” which implies the VCC no longer goes by or has any requirement of SVCC name.”

22. The fourth witness statement, dated 15 May 2008, comes from George Engle who has been a member of the SVCC/VCC since 1983. Mr Engle says, inter alia:

“..After the club changed its name in 1987 I have never been aware that the VCC have used the name SVCC in anyway apart from where it was simply stated that the VCC was originally known as the SVCC when it was founded.”

23. The fifth witness statement, also dated 15 May 2008, comes from Lionel Ferris who has been a member of the SVCC/VCC since the mid 1970s. Mr Ferris says, inter alia:

“In all of the twenty years since that name change I have never seen, heard or read the “Southern” prefix being used with VCC other than to describe where the VCC came from. As in “founded as....” on official papers of the VCC. Not spoken, or even, in this last decade as memories fade, referred to.”

24. The sixth witness statement, also dated 15 May 2008, comes from John Gray who has been a member of the VCC since the mid 1990s. Mr Grey says, inter alia:

“In all of this quite long period I have only known the club to be called and referred to as the VCC.

The only time I’ve seen that the SVCC name is used is printed on the club magazines as a small line stating “founded in....” and also on letter headings stating formerly the...., to be perfectly honest with you I hardly noticed it.”

25. The seventh and final witness statement, also dated 15 May 2008, comes from Steven George who has been a member of the VCC since 1992. Mr George says, inter alia:

“I was unaware the club had changed its name from the SVCC until I noticed in small print on the cover of the newsletter.....and have never heard mention of the “Southern” name, nor any banners or literature pertaining to it. It is simply not used.”

And:

“There is no change [sic] of the VCC being confused or connected with any club calling itself the SVCC. There are plenty of local veteran cycle clubs who happily co-exist.”

26. That concludes my review of the evidence filed in these proceedings insofar as I consider it necessary.

DECISION

27. The relevant parts of section 47 of the Act read as follows:

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

the trade mark was registered in breach of section 3 or any of the provisions referred to in that section (absolute grounds for refusal of registration).

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

(a)

(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 earlier right has consented to the registration.

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

(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.”

Sections 3(6) of the Act reads:

“(6) A trade mark shall not be registered if or to the extent that the application is made in bad faith.”

The hearing

28. At the hearing I heard detailed submissions from both sides (for which I am grateful). Mr Noble’s core submission throughout was that as the VCC had not, in his view, been using the words SVCC as a trade mark, the objections based on sections 3(6) and 5(4)(a) could not succeed. While it is not necessary (or appropriate) for me to reflect all of the competing submissions here, I have borne them all in mind when reaching my decision.

Concessions made by Mr Malseed

29. Before I turn to the substance of the case, it is, I think, necessary for me to comment briefly on a number of concessions made by Mr Noble on Mr Malseed’s behalf, firstly at a Case Management Conference (CMC) held before another Hearing Officer (Mr Salthouse) in February 2008, and secondly at the hearing before me. In approaching these concessions I am, of course, mindful of the fact that neither Mr Malseed nor Mr Noble are professionally qualified. That said, the Hearing Officer’s comments in BL O-078-08 are relevant. He said:

“As Mr Thorley stated, these proceedings are judicial or quasi judicial and they have to be conducted in this manner. In proceedings there is not, and cannot, be one set of rules for those with legal representatives and those without, litigants in person”.

This indicates that I must approach any concessions made by Mr Noble on Mr Malseed’s behalf in much the same way I would approach them had they been made by Mr Malseed himself, or by a trade mark professional on behalf of their client.

30. With that in mind, I note that at the CMC Mr Malseed accepted that: (i) the VCC had used the words VCC since 1987 as a trade mark for all of the goods and services contained in their pleadings (which included services identical to those contained in Mr Malseed’s registration), and (ii) that the VCC had established a goodwill trading under those words.

31. In his skeleton argument Mr Taylor said:

“In terms of the Section 5(4)(a) ground in relation to SVCC, it is agreed between the parties that goodwill subsisted in SVCC, based on the use from 1955 to 1987.”

32. At the hearing I asked Mr Noble if he agreed with this statement and he confirmed that he did. He also confirmed that the factual background to the establishment of the SVCC, the name change in 1987, the services the club provides etc provided in Mr Bugg’s witness statements were “essentially correct”. He also confirmed that at the time the application for registration was filed by Mr Malseed, he was a member of the VCC.

The bad faith objection

33. In his decision in [BL O-328-07], the Hearing Officer (Mr Reynolds) summarised the current state of the law in relation to section 3(6) of the Act. He said:

“.....In *China White* [2005] FSR 10, the Court of Appeal decided that the ‘combined test’ they understood to have been laid down by the House of Lords in *Twinsectra v Yardley* [2002] 2 AC 164, should be applied in deciding cases under Section 3(6) of the Act. In *Barlow Clowes International Ltd v Eurotrust International Ltd* [2006] 1 Lloyd’s Rep 225, the Privy Council clarified that the House of Lords’ judgment in *Twinsectra* required only that a defendant’s state of knowledge was such as to render his action contrary to normally accepted standards of honest conduct. There is no additional requirement that a defendant (or applicant in trade mark proceedings) must also have reflected on what the normally accepted standards were. The applicability of these principles to trade mark cases has since been confirmed in *Ajit Weekly Trade Mark* [2006] R.P.C. 25. The standard itself is that set down in *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] R.P.C. 367. It includes dishonesty but also includes some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined.”

34. At the hearing, I explained that the test I would use when determining whether Mr Malseed had applied for his application in bad faith, was that expressed by the Appointed Person Ms Carboni in BL O/157/08 when she said:

“120. To summarise the guidance given by the English courts and United Kingdom Appointed Persons, one must ask what the Applicant knew when it applied to register the Marks (the subjective element) and whether, in the light of that knowledge, its decision to apply for registration would be regarded as in bad faith by persons adopting proper standards (the objective element). The applicable standard for the objective element of the test is acceptable commercial behaviour in the eyes of a reasonable and experienced person standing in the shoes of the Applicant. My job is to try to be that person.”

35. The first part of the test requires to me to establish what Mr Malseed knew when he applied for his application for registration. At the hearing Mr Taylor drew my attention to a number of factors which he felt I should keep in mind in this regard. Broadly speaking these were as follows:

- that Mr Malseed was a member of the SVCC/VCC from 1966 to at least March 2007;
- that as a member of the VCC Mr Malseed had a duty to abide by its rules;
- that sometime before 27 February 2002 Mr Malseed had asked Mr Bugg if the SVCC name was available for him to use (exhibit RDB5) and Mr Malseed was informed in letters from Mr Bugg dated 11 March 2002 (exhibit RDB6) and 25 April 2003 (exhibit RDB7) that it was not;
- that Mr Malseed spoke to Mr Bugg on 29 October 2003 about, inter alia, use of the words SVCC, following which Mr Malseed put his concerns in writing (exhibit RDB9);
- that these concerns were considered at a meeting of the VCC in November 2003 and Mr Bugg wrote to Mr Malseed on 13 December 2003 (exhibit RDB10).

36. In my view (on the basis of the evidence filed or concessions made), it is clear that by the date that he filed his application for registration, Mr Malseed had been a member of the SVCC/VCC for some forty years. In more recent years (at least) he appears to have been an active member of the VCC. At the hearing Mr Taylor said:

“He would have received all the journals, News & Views. He was a critic of the VCC. He read the journals....He was nothing, if not, a man who liked to pick up his pen. He let the Committee know his thoughts.”

37. Mr Malseed was clearly unhappy about the direction in which he felt the VCC was heading, and wanted, it appears, to use the words SVCC for a section/club which would give greater emphasis to older cycles. He had spoken to Mr Bugg sometime prior to February 2002 and enquired if the SVCC name was available for him to use. In the letter of 11 March 2002 he had been told:

“With regard to the use of the Club’s former title, the Committee believes that we retain the right to the title SVCC, and it still appears on our stationery.”

38. In a further letter dated 25 April 2003, Mr Malseed was told:

“The V-CC clearly states that it was founded in 1955 as [SVCC] and retains the right to the name.”

39. Following a conversation with Mr Bugg on 29 October 2003, Mr Malseed (in an undated letter) said:

“I joined the SVCC because it suited my interest in veteran bicycles. Others joined and decided to change it. Make it national and run it from the midlands they did. Oh why didn’t they leave us alone in our popular and successful little club. **We cannot even have the name to use again.**” (my emphasis)

40. In a letter dated 13 December 2004 (but dating from December 2003) to Mr Malseed Mr Bugg said:

“As requested I brought your letter to the attention of the Committee at the last meeting.

I have been asked by the Committee to thank you for expressing your views and that they have noted the points raised.”

What did Mr Malseed know when he filed his application?

41. By the end of 2003 Mr Malseed, in my view, could have been in no doubt that the VCC (a club of which he was a member) were not prepared to give him permission to use the SVCC name. Bad faith must of course be considered (as per *Nonogram Trade Mark* [2001] RPC 21) at the date Mr Malseed filed his application i.e. October 2006 (i.e. when he was **still** a member of the VCC). Consequently, I need to consider whether there is any evidence relating to the period January 2004 to October 2006 (i.e. the period following that in which Mr Malseed was informed by the VCC that he could not use the SVCC name and the filing date of his application for registration), which suggests that the VCC’s view of Mr Malseed’s use of the SVCC name may have changed. There is no relevant evidence to suggest that the VCC’s view of the matter changed in the intervening period, and no relevant circumstances were drawn to my attention at the hearing. In this regard, and as I explained to Mr Noble at the hearing, the fact that the VCC did not in this intervening period apply to register the SVCC name as a trade mark was not a factor which assisted Mr Malseed.

In light of what Mr Malseed knew, did he act in bad faith?

42. Having determined what Mr Malseed knew when he filed his application, I now turn to the second part of the test i.e. whether in the light of that knowledge Mr Malseed’s decision to apply for registration would be regarded as in bad faith by persons adopting proper standards.

The applicable standard for this part of the test is acceptable commercial behaviour in the eyes of a reasonable and experienced person standing in Mr Malseed's shoes.

43. At the hearing Mr Taylor drew my attention to the comments of Mr Geoffrey Hobbs QC in the *Daawat* trade mark case [2003] RPC 11 when he said:

“93. As noted in paragraph 14 of the Principal Hearing Officer's decision in the present case, the First Cancellation Division in its Decision in the BE NATURAL case (25 October 2000) adopted the view of UK Trade Marks Registry that a finding of bad faith could properly be made:

“Where the applicant was aware that someone else intends to use and/or register the mark, particularly where the applicant has a relationship, for example as employee or agent, with that other person, or where the applicant has copied a mark being used abroad with the intention of pre-empting the proprietor who intends to trade in the United Kingdom.”

44. Mr Taylor argued that given Mr Malseed's membership of the VCC during the whole of the period in question, his status in recent years as an active (outspoken) member, his approaches to the VCC in 2002 and 2003 regarding the use of the name SVCC, and his comment to the effect that the SVCC name could not be used again, establishes that he had a relationship with the VCC and was aware that the VCC (in their view at least) retained the rights to the SVCC name. To apply for registration of the SVCC name in October 2006 in those circumstances, constituted behaviour which, in Mr Taylor's view, fell below commercially acceptable standards.

45. Mr Noble argued that any reasonable and experienced person in Mr Malseed's position and knowing what Mr Malseed knew (and by this he returned to his core submission regarding the alleged non-use of the SVCC name) would, in his view, have adopted the same approach as Mr Malseed.

46. I should also mention that in his defence to the Application Mr Malseed referred to a search having been conducted on his behalf by the UK Intellectual Property Office for the SVCC name, adding that this search indicated that the name had not been registered. Mr Malseed says that the results of this search together with his own knowledge of (what he considered to be the non-use of the SVCC name) allowed him to proceed with the application. Mr Taylor pointed out that as no evidence of any searches conducted on Mr Malseed's behalf had been filed as evidence in these proceedings, this was not a factor on which he was entitled to rely. He reached this conclusion based on the comments of Mr Roger Wyand QC (sitting as a Deputy High Court Judge) in *Jules Rimet Cup Limited and The Football Association Limited* [2008] FSR 10) when he said:

“If a defence is going to be run on the basis that legal advice has been sought and followed I think it is incumbent on the party running that defence to disclose all the relevant facts including the instructions given and the full advice received. In the absence of that, the fact of legal advice having been sought is relevant but cannot be conclusive in a case such as this.”

I agree with Mr Taylor that as no evidence of the search conducted on Mr Malseed's behalf has been filed as evidence in these proceedings, it is not a factor on which I feel I can place any real reliance.

47. However, even if full details of the search conducted by the UK IPO on Mr Malseed's behalf had been filed as evidence, it is unlikely, in my view, to have assisted him. While it may have indicated that certain steps were taken by Mr Malseed to assess the availability or otherwise of the SVCC name prior to the filing of his application (and while the search may have indicated that the SVCC name had not been registered), given the existing relationship between Mr Malseed and the VCC, his enquiry of the UK IPO was likely to be seen by a reasonable and experienced person as having been made because he was conscious that another party i.e. the VCC had an interest in the SVCC name.

Summary and conclusion in relation to section 3(6)

48. At the time of his application Mr Malseed had been a member of the SVCC/VCC for many years. His concern at the direction in which the VCC was heading led him to approach Mr Bugg on one occasion in 2002 and two further occasions in 2003 to enquire if the SVCC name was available for him to use, initially Mr Noble argued, as the name for a section of the VCC. On two occasions he was informed in writing by Mr Bugg that, in the VCC's view, they retained the rights to the SVCC name, and on a third occasion (following his telephone conversation with Mr Bugg in October 2003) his comments were considered by the VCC's Committee and Mr Malseed was advised in writing that his points had been noted. In his undated letter of October 2003 he commented that: "We cannot even have the name to use again". Whether this statement was made (as Mr Noble suggested at the hearing) in the context of a section of the VCC or as a free-standing club, by the end of 2003 Mr Malseed can have been in no doubt that the VCC's agreement to use the name SVCC by him in any context would not be forthcoming. No evidence has been provided which suggests that the VCC's position on the use of the SVCC name changed in the period between January 2004 and October 2006 when Mr Malseed filed his application. Although not in evidence, Mr Malseed's enquiry of the UK IPO is unlikely to assist him as it demonstrates an awareness by him that the VCC was likely to have an interest in the SVCC name.

49. As I explained above, a finding of bad faith is appropriate in a range of circumstances which include, but go wider than, dishonesty. Putting myself in the shoes of a reasonable and experienced person, I have no hesitation in concluding that on the evidence before me, Mr Malseed's conduct in applying for the application fell short of the acceptable standards of commercial behaviour one would expect in such circumstances.

50. I reach this conclusion because as Mr Malseed was a member of the VCC at the time of his application, he had a duty to act in the club's best interests. He was not a passive member of the VCC who was unaware of the club's history and operation; to the contrary he was an active member who voted when the name was changed in 1987; he clearly read the club's publications and was (when he felt it appropriate) an outspoken critic. He had asked on three occasions if the SVCC name was free for use and had been told on each occasion that it was

not. Although he appears to have had a registration search conducted for him by the UK IPO, this indicates to me that he was aware that someone else may have an interest in the SVCC name. There is no evidence to suggest that the VCC's view of the use of the SVCC name had changed in the time from Mr Malseed's last recorded request to them in 2003 and the filing of his application. In the circumstances, prior to filing of his application and armed with what one assumes was a search indicating that the SVCC name was not registered, a reasonable and experienced person would, in my view, have expected Mr Malseed to re-approach the Committee of the VCC to establish if their views had changed. I do not know why he did not do that, but I suspect it is because he may not have liked the answer a further request to the Committee might have elicited.

51. For these reasons , the application for invalidation based on section 3(6) of the Act succeeds and the registration in the name of Mr John Patrick Malseed will be deemed never to have been made.

52. As my decision under section 3(6) of the Act effectively determines these proceedings, it is not strictly necessary for me to consider the further objection based on section 5(4)(a) of the Act. However, given that this aspect of the case attracted a good deal of evidence and submissions (in both the skeleton arguments and at the hearing), it is, I think, appropriate for me to deal with it here.

Section 5(4) of the Act reads as follows:

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

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

(b)

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of an "earlier right" in relation to the trade mark."

53. I intend to adopt the guidance given by the Appointed Person, Mr Geoffrey Hobbs QC, in *WILD CHILD Trade Mark* [1998] R.P.C. 455. In that decision Mr Hobbs stated that:

"The question raised by the grounds of opposition is whether normal and fair use of the designation WILD CHILD for the purposes of distinguishing the goods of interest to the applicant from those of other undertakings (see section 1(1) of the Act) was liable to be prevented at the date of the application for registration (see Article 4(4)(b) of the Directive and section 40 of the Act) by enforcement of rights which the opponent could then have asserted against the applicant in accordance with the law of passing off.

A helpful summary of the elements of an action for passing off can be found in

Halsbury's Laws of England (4th Edition) Vol. 48 (1995 reissue) at paragraph 165. The guidance given with reference to the speeches in the House of Lords in *Reckitt & Colman Products Ltd v. Borden Inc.* [1990] R.P.C. 341 and *Erven Warnink BV v. J. Townend & Sons (Hull) Ltd* [1979] AC 731 is (with footnotes omitted) as follows:

'The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:

- (1) that the plaintiff's goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;
- (2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by the defendant are goods or services of the plaintiff; and
- (3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant's misrepresentation.

The restatement of the elements of passing off in the form of this classical trinity has been preferred as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House. This latest statement, like the House's previous statement, should not, however, be treated as akin to a statutory definition or as if the words used by the House constitute an exhaustive, literal definition of passing off, and in particular should not be used to exclude from the ambit of the tort recognised forms of the action for passing off which were not under consideration on the facts before the House.'

Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph 184 it is noted (with footnotes omitted) that:

'To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

- (1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and
- (2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely

separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

- (a) the nature and extent of the reputation relied upon;
- (b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;
- (c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;
- (d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and
- (e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action.”

54. The Act is silent on the matter of the relevant date but Article 4.4(b) of First Council Directive 89/104 makes the position clear:

“(b) rights to a non-registered trade mark or to another sign used in the course of trade were acquired prior to the date of application for registration of the subsequent trade mark, or the date of the priority claimed for the application for registration of the subsequent trade mark and that non registered trade mark or other sign confers on its proprietor the right to prohibit the use of a subsequent mark;”

The relevant date

55. As no evidence has been filed to show that Mr Malseed has used his trade mark prior to the filing date of his application for registration in October 2006, this becomes the relevant date for present purposes. In approaching the question of passing off in these circumstances, I must consider what **would** happen if Mr Malseed began to use his trade mark, as opposed to what **has** happened. I should also at this point mention that as one can see from my summary, not all of the evidence provided in these proceedings has been directed to the relevant date. That said, there has, in my view, been sufficient evidence provided by the VCC prior to the material date for me to reach the conclusions below.

Goodwill

56. In these proceedings the VCC is relying on goodwill in a business conducted under the sign VCC for inter alia, services identical to those contained in Mr Malseed's registration; Mr Malseed accepts that the VCC have established a goodwill in this business. He also accepts that the SVCC (who were the previous incarnation of the VCC) had established a goodwill in a business conducted under the sign SVCC as a result of the business conducted by them in the period 1955 to 1987. Mr Malseed does not accept that since 1987 the VCC have used the sign SVCC as an indicator of origin, or that at the date of his application any residual goodwill existed in a business conducted under this sign.

Misrepresentation

57. The question I need to consider in this regard, is whether use by Mr Malseed of his trade mark will lead or is likely to lead the public to believe that the services offered by him are services of the VCC. In his skeleton argument Mr Taylor says:

“V-CC submit that the SVCC would either be seen as the VCC or one of the sections of the VCC..”

And:

“It is submitted that this use was not abandoned and the goodwill in SVCC is owned by VCC has been maintained, and has been added to...”

58. In reaching a conclusion on the misrepresentation point, I need to determine how distinctive or otherwise the words VCC and SVCC are in relation to the services in dispute. In his first statement Mr Noble provided a list of names of organisations he had identified from an internet search which had the words Veteran Cycle (or similar) in their titles. The purpose of this search was to demonstrate what he described as “the general likeness and similarity between club names”. In his skeleton argument Mr Taylor said of this evidence:

“... There is no information in relation to what the websites refer to, such as pages downloaded from the websites, whether the websites relate to an offering of services, and if so what services are offered, which marks services are offered under, where the services are offered or when such services started to be offered. In the absence of such clarity, it is maintained that no weight can be accorded to this evidence. The majority of the websites addresses appear to be not linked to the UK having extension such as .com.au, org.au, .cc, .asn.au, .org.nz, or having references in their names such as the German Veteran Cycle Club. It is submitted that the lack of detail in this Exhibit, combined with the fact that the websites seems to be related to matters outside of the United Kingdom reduces its evidence value to nil.”

59. Of the twenty names provided, thirteen appear to relate to clubs or organisations based outside of the UK, four to organisations in the UK, and of the remaining three their origin is uncertain. However, as Mr Taylor pointed out above, beyond the names themselves (and the web addresses) no further information is provided. In the absence of such information, I am not

in a position to conclude that the words VCC and SVCC are (in the United Kingdom at least) lacking in distinctive character. In fact, one could reasonably argue that at least insofar as the words SVCC are concerned, the fact that Mr Malseed's application for these words was accepted by the Trade Marks Registry, is an indication that (in their view at least) the words possessed sufficient distinctive character for them to be considered registrable prima facie. Were that not the case, the use made of these words by the SVCC/VCC between (at least 1955 and 1987) and (arguably) from 1987 to the date of the application, is likely to have assisted. Insofar as the words VCC are concerned, these may, absent use, lack the same degree of distinctive character. However, given the use that the VCC have made of them between 1987 and October 2006, these words are also likely, in my view, to have acquired a distinctive character of their own.

60. Having concluded that the words VCC and SVCC have distinctive character, would the public be led to believe that the services of Mr Malseed are those of the VCC? In my view, they would. I reach this view despite the statements provided by members of the VCC i.e. Messrs. Warburton, Engle, Ferris, Gray and George provided by Mr Malseed, which I note are all made on the basis that the VCC do not (in their view) use the words SVCC to identify origin. Even if this were the case, the use of the words VCC are, in my view, sufficiently similar to the words SVCC that when used on identical services misrepresentation would occur. I am fortified in this view by the comments contained in the statements of Mrs Robertson and Mr Higman (who are both experts in the field and independent of the VCC) and to a lesser extent (given that he is also a member of the VCC) to Mr Liffen. In this regard, I agree with Mr Taylor when he said:

“..the SVCC would either be seen as the VCC or one of the sections of the VCC.”

61. The position then is this: the VCC have (as has been conceded) goodwill in a business conducted under the sign VCC for services identical to those contained in Mr Malseed's registration. Even if the words VCC lacked distinctive character when they were first adopted, the use made of these words by them between 1987 and 2006 is likely to have remedied this deficiency. The words VCC are, in my view, sufficiently similar to the words SVCC that the public (and there is evidence to this effect) would be deceived into believing that the services provided by Mr Malseed under his trade mark are the services of the VCC.

Damage

62. Given my findings set out above, the third arm of the test for passing off i.e. damage, is likely to follow. One example of this is described by Mr Bugg in the following terms:

“..Potential members would be confused by the two clubs and this may cost us members and cost us membership income including other charitable gifts which may be made to the VCC. The VCC has for over fifty years been recognised as the foremost club with academic standing for its research into cycle history...The VCC had an income of more than £20,000 this year and this may be damaged by Mr Malseed's use of SVCC.”

63. There may be other forms of damage, but the above is sufficient to establish that the potential for damage to the VCC is a real one. **In these circumstances, the Application based on section 5(4)(a) of the Act also succeeds.**

64. In reaching a conclusion under section 5(4)(a) of the Act it has not been necessary for me to determine whether or not the VCC, since the change of name in 1987, have been using the sign SVCC as it appears in phrases such as “Founded in 1955 as Southern Veteran-Cycle Club”, as an indicator of origin, or as Mr Malseed contends, merely for information purposes. Had it been necessary for me to do so, I would have been inclined to accept that at the relevant date the VCC would have had a protectable goodwill in the words SVCC on the basis of the evidence filed. The sign SVCC has, in my view, been kept alive and at the relevant date the VCC would have had a protectable goodwill in it.

Costs

65. The VCC have been successful in these proceedings and are entitled to a contribution towards their costs. I note that in the Statement of Grounds accompanying their Application the VCC sought “..an award of costs off the normal scale..”. At the hearing, this request was modified by Mr Taylor to costs at the top end of, as opposed to off the scale. To justify this request at the hearing Mr Taylor said:

“When we originally contacted Mr Malseed it was in an open letter and it made it clear that we represented the VCC and that in our view the registration would be successfully invalidated. On that basis we proceeded. We did approach the other side and I believe offered to pay the application fee so Mr Malseed would not be out of pocket. We think that the hoops we have been put through are sufficient, the central aggravation that we have been put through to provide this is enough to raise the matter over the ordinary scale. Whilst we appreciate that the other side has not been professionally represented, we have tried diligently in relation to being officers of this tribunal to make the Registrar’s life more simple, more straightforward. As a result of this, we have put ourselves to higher costs than would normally be the case....Obviously, three folders of evidence does not come cheap and the professional costs have been considerable.”

66. Following the hearing, in a letter dated 6 November, Mr Malseed wrote to the TMR on the issue of costs. While the letter (incorrectly) suggests that Mr Taylor was seeking costs off the scale, it asks me (in the event that the VCC are successful) and by reference to Mr Malseed’s personal circumstances (which it is not necessary for me to repeat here) if:

“..the Comptroller can apply any ameliorating effects to the costs of this case.”

67. The VCC were given an opportunity to respond and did so in a letter from their professional advisers Swindell & Pearson dated 12 November, the relevant part of which reads:

“Given that an entirely fair and open offer was made to Mr Malseed prior to the action being launched we are of the view that costs on the normal scale are entirely appropriate. We also note that the UK IPO sends details on costs to parties as part of

their normal correspondence. On this basis we see no reason why Mr Malseed being advised that we were going to apply for costs and being made a more than generous offer prior to the start of proceedings and being advised by the Registry that costs were an important issue should at this incredibly late stage argue penury.”

68. In a letter dated 17 November Mr Malseed responded to the above; the VCC responded to Mr Malseed’s letter on 4 December. It is not necessary for me to summarise the parties competing submissions here, but I will keep their opposing views in mind when reaching a decision.

69. In these proceedings the VCC have succeeded on both pleaded grounds, one of which was a claim to bad faith. A claim to bad faith is a serious allegation and is not one that should be made lightly. To support the ground cogent evidence is needed and this was provided (primarily) in the first witness statement of Mr Bugg. The claim to passing off was supported by evidence of the use made of the signs VCC and SVCC and was accompanied by three statements from experts in the field. The vast majority of the VCC’s evidence was relevant and assisted me in reaching a determination. The seven witness statements provided as Mr Malseed’s evidence needed to be considered by the VCC’s professional advisers and a view taken on whether or not to reply to it; the fact that they chose not to does not mean that work on Mr Malseed’s evidence was not undertaken. At the hearing (which I found most helpful and which lasted a little under three hours), the VCC’s professional advisers provided (as they must) a skeleton argument running to some eight pages and Mr Taylor confined his submissions to the relevant points and, where appropriate, to assist either me or Mr Noble.

70. Taking all of the above into account i.e. Mr Malseed’s conduct in applying for the registration, the pre-action protocol undertaken, the offer made by the VCC to him (which Mr Malseed explains in his letter of 17 November was in relation to a sum of only £200 and not the £294 costs he actually incurred, and in which it suggests the offer would likely have been rejected in any case), and given what I consider to be the sensible and proportionate manner in which the VCC conducted these proceedings, I do not think any significant reduction in the award of costs I would have made is appropriate. In saying that, and for Mr Malseed’s benefit, the amount I award below to the VCC falls **within** the scale of costs suggested in Annex A of Tribunal Practice Notice 2 of 2000 and, in line with long standing practice, is intended to be a **contribution** to the likely costs the VCC would have incurred in the prosecution of these proceedings.

71. I award costs to the VCC on the following basis:

Application for Invalidity and Accompanying statement:	£300
Statutory Fee:	£200
Considering statement of case In reply:	£200

Preparing and filing evidence:	£1000
Considering evidence:	£500
Preparation for and attendance at hearing:	£800
Total	£3,000

72. I order Mr Malseed to pay to the VCC the sum of £3,000. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 6th day of January 2009

**C J BOWEN
For the Registrar
the Comptroller-General**