

O/0359/26

TRADE MARKS ACT 1994

IN THE MATTER OF

REGISTRATION NO. UK00003248581

IN THE NAME OF

SUPERCREEP MANAGEMENT LIMITED

IN RESPECT OF THE TRADE MARK

SERIOUSLY

IN CLASSES 32 AND 33

AND

IN THE MATTER OF

AN APPLICATION FOR INVALIDATION THERETO

UNDER NO. CA000506459

BY FACILE & CO AB

BACKGROUND AND PLEADINGS

1. Seriously Vodka Limited applied to register the trade mark no. UK00003248581 in respect of the word mark “SERIOUSLY” in the UK on 7 August 2017. It was accepted and registered on 3 November 2017. It is registered in respect of the following goods:

Class 32 Beers; mineral and aerated waters and other non-alcoholic drinks; fruit drinks and fruit juices; syrups and other preparations for making beverages; non-alcoholic drinks.

Class 33 Alcoholic beverages (except beers); vodka.

2. Ownership of the mark at issue transferred from Seriously Vodka Limited to Supercreep Management Limited (“the registered proprietor”) with effect from 2 December 2021.
3. On 17 November 2023, Facile & Co AB (“the cancellation applicant”) applied to invalidate the mark on the basis of section 47 and section 3(6) of the Trade Marks Act 1994 (“the Act”).
4. The cancellation applicant claims that the application to register the contested mark was made in bad faith and therefore contrary to section 3(6) of the Act. It is said that Douglas Brougham Cunningham of Indie Brands Limited had a “prior commercial relationship” with the cancellation applicant, but that he registered the mark in the name of Seriously Vodka Limited without its consent.
5. The registered proprietor filed a counterstatement denying the claims made and stating that “UK00003248581 was filed with the knowledge and consent of the applicant for cancellation.”
6. Both parties filed evidence, detailed below, and brief submissions in lieu of a hearing.

7. The cancellation applicant is unrepresented, and the registered proprietor is represented by Stobbs.

Relevance of EU law

8. The provisions of the Act relied upon in these proceedings are assimilated law, as they are derived from EU law. Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 (as amended by Schedule 2 of the Retained EU Law (Revocation and Reform) Act 2023) requires tribunals applying assimilated law to follow assimilated EU case law. That is why this decision refers to decisions of the EU courts which predate the UK's withdrawal from the EU.

Evidence

9. The cancellation applicant filed evidence in chief in the form of a witness statement from Hans-Eric Waborg, managing director of the cancellation applicant, signed and dated 19 June 2024. The witness statement was filed along with Exhibits HEW1-HEW4.
10. The registered proprietor filed evidence in chief in the form of a witness statement from Douglas Brougham Cunningham, duly authorised representative and director of the registered proprietor, signed and dated 14 October 2024. The witness statement was filed along with Exhibits DBC1-DBC5.
11. The cancellation applicant filed evidence in reply in the form of a second witness statement from Hans-Eric Waborg, signed and dated 14 December 2024. The witness statement was filed along with Exhibits HEW5-HEW8.

DECISION

12. Section 3(6) is relevant in invalidation proceedings because of section 47 of the Act, the relevant part of which is:

“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).

[...]

(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.”

13. 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.”

14. In *SkyKick UK Ltd & Anor v Sky Ltd & Ors (Rev1)* [2024] UKSC 36, Lord Kitchin summarised the general principles applicable to bad faith at [240] as follows:

“(i) [...]

(ii) The date for assessing whether an application to register [a] trade mark was made in bad faith is the date the application for registration was made (*Lindt*, para 35).

(iii) Bad faith in this context is an autonomous concept of EU law which must be given a uniform interpretation [...], and must be interpreted in the context of Directive 89/104 in the same manner as in the context of Regulation 40/94 (*Malaysia Dairy Industries Pte Ltd v Ankenaevenet for*

Patenter og Varemaerker (C-320/12) EU:C:2013:435 (“*Malaysia Dairy*”)], para 29; [*Sky plc v SkyKick UK Ltd* (C-371/18) EU:C:2020:45 (“*Sky CJEU*”)], para 73).

(iv) While, in accordance with its usual meaning in everyday language, the concept of bad faith presupposes the presence of a dishonest state of mind or intention, the concept must also be understood in the context of trade mark law, which involves the use of marks in the course of trade. Further, it must have regard to the objectives of the [...] law of trade marks, namely the establishment and functioning of [...] a system of undistorted competition in which each undertaking must, in order to attract and retain customers by the quality of its goods or services, be able to have registered as trade marks signs which enable consumers, without any possibility of confusion, to distinguish those goods or services from those which have a different origin (*Lindt*, para 45; [*Koton Mağazacılık Tekstil Sanayi ve Ticaret AS v European Union Intellectual Property Office (EUIPO)* (C-104/18) EU:C:2019:724 (“*Koton*”)], para 45).

(v) Consequently, the objection will be made out where the proprietor made the application for registration, not with the aim of engaging fairly in competition but either (a) with the intention of undermining, in a manner inconsistent with honest practices, the interests of third parties; or (b) with the intention of obtaining, without even targeting a specific third party, an exclusive right for purposes other than those falling within the functions of a trade mark, and in particular the essential function of indicating origin (*Koton*, para 46; *Sky CJEU*, para 75).

(vi) The intention of the applicant is a subjective matter, but it must be capable of being established objectively by the competent administrative or judicial authorities having regard to the objective circumstances of the case (*[Hasbro Inc v EUIPO, Kreativni Dogaaji d.o.o. (intervening)* (Case T-663/19) EU:T:2021:211 (“*Hasbro*”)], paras 39 and 40; *Koton*, para 47).

(vii) The burden of proving that an application for a registered mark was made in bad faith lies on the party making the allegation. But where the

circumstances of the case may lead to a rebuttal of the presumption of good faith, it is for the proprietor of the mark to explain and provide a plausible explanation of the objectives and commercial logic pursued by the application for registration (*Hasbro*, paras 42 and 43).

(viii) Whether the applicant was acting in bad faith must be the subject of an overall assessment, taking into account all of the factors relevant to the particular case (*Lindt*, para 37).

(ix) The applicant for a trade mark is not required to indicate or to know precisely when the application is filed or examined, the use that will be made of it (*Sky CJEU*, para 76; [*AS v Deutsches Patent-und Markenamt* (C-541/18) EU:C:2019:725], para 22).

(x) Nevertheless, the registration by an applicant of a mark without any intention to use it in relation to the goods and services covered by the registration may constitute bad faith where there is no rationale for the application in the light of the aims referred to in Regulation 40/94 and Directive 89/104 (*Sky CJEU*, para 77).

(xi) Such bad faith may, however, be established only where there are objective, relevant and consistent indicia tending to show that, when the application was filed, the applicant for registration had the intention either of undermining, in a manner inconsistent with honest practices, the interests of third parties, or of obtaining, without targeting a specific third party, an exclusive right for purposes other than those falling within the functions of a trade mark (*Sky CJEU*, para 77).

(xii) It follows that the bad faith of the applicant cannot be presumed on the basis of a mere finding that, at the time of filing the application, the applicant had no economic activity corresponding to the goods and services referred to in the application (*Sky CJEU*, para 78).

(xiii) When the absence of an intention to use the mark in accordance with the essential functions of a trade mark concerns only certain goods

or services referred to in the application for registration, that constitutes making the application in bad faith only in so far as it relates to those goods or services (*Sky CJEU*, para 81).

(xiv) If, at the end of the day, the court concludes that, despite formal observance of the relevant rules and conditions for obtaining registration, the purpose of the rules has not been achieved, and that there was an intention to take advantage of the rules by creating artificially the conditions laid down for obtaining the registration, this may amount to an abuse sufficient to find that the application was made in bad faith (see, for example, *Hasbro*, para 72).

(xv) Directive 89/104 does not preclude a provision of national law under which an applicant for registration must state that the mark is being used in relation to the goods or services in relation to which it is sought to register the mark, or that the applicant has a *bona fide* intention that it should be used, provided that infringement of such an obligation cannot constitute a ground for invalidity. It may, however, constitute evidence for the purposes of establishing possible bad faith on the part of the applicant when the application was filed (*Sky CJEU*, paras 86 and 87)."

15. In *SkyKick UK Ltd & Anor v Sky Ltd & Ors (Rev1)* [2024] UKSC 36, Lord Kitchin considered the question of what amounts to bad faith. He underlined that the categories of bad faith and the circumstances which may constitute bad faith are not closed, and continued:

"152. In seeking to identify the relevant principles, it is necessary to have in mind two fundamental aspects of trade mark law to which I have already referred: first, it is concerned with the use of marks in trade to denote the origin of goods and services. Secondly, the aim of the trade mark regime is to contribute to a system of undistorted competition in which businesses are able to attract and retain customers by the quality of their goods and services, and for that purpose are able to have registered signs which enable consumers to distinguish the goods and

services of one undertaking from those of another. Such a system must also provide an incentive and protection for the investment by a brand owner in the quality and other beneficial aspects of its goods and services, and so allow it to develop a goodwill in its business relating to their sale and supply.

153. Against this background, the essence of the objection that an application to register a mark was made in bad faith may be understood: it is that the motive or intention of the applicant was to engage in conduct that departed from accepted principles of ethical behaviour or honest commercial practices having regard to the purposes of the trade mark system which I have described. Whether the conduct was undertaken with that motive or intention and did indeed depart from such ethical behaviour or honest commercial practices must be assessed having regard to all the objective circumstances of the case: see, for example, *Koton Mağazacılık Tekstil Sanayi ve Ticaret AS v European Union Intellectual Property Office (EUIPO)* (C-104/18) EU:C:2019:724 ("*Koton*"), paras 46 and 47 [...]."

16. The date for assessing whether an application to register a trade mark was made in bad faith is the date the application for registration was made.¹ In this case, the relevant date is 7 August 2017.

17. Whilst I recognise that it is not a substitute for the statute, the key questions identified by the Appointed Person in *Alexander Trade Mark*, BL O/036/18, provide a useful structure that I will use to consider the allegation of bad faith. These key questions 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

¹ See *Chocoladefabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH* at [35]

(c) Was it established that the contested application was filed in pursuit of that objective?

18. It is necessary to ascertain what the applicant knew at the relevant date: *RedBull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited* [2012] EWHC 1929 (Ch). Evidence about subsequent events may be relevant, if it casts light backwards on the position at the relevant date: *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).

What, in concrete terms, was the objective that the applicant has been accused of pursuing?

19. The cancellation applicant considers Mr Cunningham's alleged failure to obtain its consent to the trade mark application while he was in the midst of conducting commercial negotiations with it to be an act of bad faith.

Was that an objective for the purposes of which the contested application could not be properly filed?

20. If so proven, applying to register the mark of a company that he knew was the rightful owner of the mark during the process of conducting negotiations with it could potentially constitute bad faith.

Was it established that the contested application was filed in pursuit of that objective?

21. As per the witness statements and the email exchanges offered in evidence, the background to this case is that some years ago Douglas Brougham Cunningham had dealings with the cancellation applicant selling and marketing Seriously Vodka in the UK, including while working for a company called Essential Brands. By 2013, Mr Cunningham was the managing director of Indie Brands Limited, and he contacted Hans-Eric Waborg (the managing director of the cancellation applicant) with a view to his company buying the Seriously

Vodka brand for which the cancellation applicant was the rightsholder in various territories including the EU.

22. Negotiations took some time, but by 2017, and as per paragraph 6 of Mr Cunningham's witness statement, "Eventually a proposal to form a new UK based company together, Seriously Vodka Limited (SVL) took shape. Indie Brands through its sister company, Indie Spirits, would own 75% of the company with Facile owning the remaining 25%."
23. The key points about the negotiations between Indie Brands Limited and the cancellation applicant are not in dispute and the relevant parties concluded a signed agreement on 9 November 2017. This can be seen in the cancellation applicant's Exhibit HEW2 which consists of a copy of the agreement. The document sets out the terms on which Indie Spirits Limited, the cancellation applicant, and a third party – Per Anders Johnsson – agreed to form Seriously Vodka Limited. Shares were apportioned as 75% for Indie Spirits Limited, 20% for the cancellation applicant, and 5% for Per Anders Johnsson.
24. As per part (A) of the "INTRODUCTION" of the agreement, the parties "agreed to the formation of SVL [Seriously Vodka Limited] to manage the production, marketing and distribution of the "Seriously Vodka" brand on a global basis and the basis on which the intellectual property rights in such brand shall become the property of SVL".
25. The agreement is signed by Douglas Cunningham on behalf of Indie Spirits Limited, Hans-Eric Waborg on behalf of the cancellation applicant, and Per Anders Johnsson.
26. Paragraph 3 of the agreement deals with the formation of the board whereby, at paragraph 3.1, "As at the date of this Agreement, the sole director of SVL is Douglas Cunningham, who shall be an appointee of ISL [Indie Spirits Limited]."
27. What is in dispute is whether Mr Cunningham had the cancellation applicant's consent in applying to register the mark at issue in the name of Seriously Vodka Limited on 7 August 2017.

28. Mr Waborg says at paragraph 2 of his first witness statement – for the cancellation applicant’s evidence in chief – that “We had never given our consent to this [the trade mark application of 7 August 2017], there was no agreement between the parties whatsoever until the signing of the agreement on November 9 2017. We were not informed about the trademark’s existence until October 16 2019 when Douglas Cunningham sent us a TM Cloud report.”

29. In his second witness statement – for the cancellation applicant’s evidence in reply – Mr Waborg reiterates, in the “Summary” at part c), that “Douglas Cunningham has never asked us for permission to apply for a trademark registration in the UK. I/Facile & Co AB [the cancellation applicant] has never given him permission to do so, and especially not before our agreement was signed on November 9 2017. Until our agreement was signed on November 9 2017 there was no agreement between the parties whatsoever in any respect. He was naturally not allowed to do anything related to Seriously vodka as it was an asset belonging to and fully owned by Facile & Co AB.”

30. In his witness statement, Mr Cunningham says:

“11. At this time [the summer of 2017] there was a great deal of uncertainty regarding the continuation of trade mark protection provided by a European Trade Mark Registration in the United Kingdom as a result of the United Kingdom's withdrawal from the European Union. I was advised that the pragmatic approach to take to ensure continuing protection in the United Kingdom was to apply for an independent UK trade mark. Following this advice, I instructed the filing of UK00003248581 in the name of SVL with the knowledge of Mr Waborg see email 2 August 2017 (**Exhibit DBC4**)

12. I informed Mr Waborg again on the 11 September 2017 (**Exhibit DBC5**) that SVL had applied for a United Kingdom trade mark for SERIOUSLY. At no stage did Mr Waborg object to this.”

31. I copy the relevant extract of Exhibit DBC4 below.

“Hans-Eric

I'm just off the phone to our IP lawyer. Here's the deal. He feels strongly Seriously Vodka Ltd should apply for the UK trademark asap. Then once out [sic] agreement is signed we transfer all existing trademarks Facile holds to Seriously Vodka Ltd.”

32. I copy the relevant extract of Exhibit DBC5 below.

“For your info, Seriously Vodka Ltd has successfully applied for the UK trademark and we are now in the process of waiting 2 months to hear of any objections. Assuming nonw [sic] and our agreement is signed then we will look to have all other rights Facile holds, excluding of course the US, transferred to Seriously Vodka Ltd.”

33. I am not privy to Mr Waborg’s replies to these emails, but there is nothing in the cancellation applicant’s evidence in reply to suggest that Mr Cunningham has misrepresented the chain of events: I consider him to have shown that he notified Mr Waborg about what he was doing. Furthermore, he has provided a credible explanation as to why he applied to register the mark when he did – that he was advised by his IP lawyer to register an “independent” UK mark as soon as possible against a background of uncertainty about the status of EU marks given that the UK was leaving the European Union.

34. Mr Cunningham’s action could be said to have been presumptuous given that the agreement whereby Seriously Vodka Limited would be set up and would take ownership of the Seriously Vodka brand had yet to be signed. However, his action was consistent with working towards such an agreement, and the agreement was duly signed on 9 November 2017.

35. In his second witness statement – as part of his evidence in reply – Mr Waborg alleges at part a) of his “Summary” that “At the end of 2021 Douglas Cunningham starts to move all worldwide trademark registrations from Seriously Vodka Ltd to

his own company SuperCreep Management Ltd, without the knowledge of Facile & Co AB” and says that Mr Cunningham is in breach of contract. Mr Waborg states under “Attached at Exhibit HEW 7 Mail reply from the Companies House on May 22 2022” that “As Douglas Cunningham did not file the annual accounts, Seriously Vodka Ltd was struck off the register on April 11 2022 and dissolved on April 19 2022.”

36. I do not consider that the above evidence casts light backwards on the position at the relevant date. The allegation of breach of contract is not within the scope of this decision and the claimed movement of the Seriously Vodka Limited registrations from 2021 onwards does not shed light on Mr Cunningham’s motivation for his action four years earlier.

37. Overall, I do not consider there to be sufficient evidence to establish a prima facie presumption of a lack of good faith on Mr Cunningham’s part. Even if I am wrong and there is a prima facie case that requires rebuttal, Mr Cunningham has put forward evidence to show that he notified Mr Waborg about what he was doing and he has explained that he was advised by his IP lawyer to register the mark as soon as possible. Further, the registration of the mark in the name of Seriously Vodka Limited was consistent with an agreement that was under discussion and which was duly signed on 9 November 2017.

38. At the relevant date, I do not consider Mr Cunningham to have had the intention of undermining the cancellation applicant in a manner inconsistent with honest practices.

Outcome

39. Subject to appeal, the cancellation application has failed in its entirety.

Costs

40. As the successful party, the registered proprietor is entitled to a contribution to its costs in line with Tribunal Practice Notice 1 of 2023.

41. I award the registered proprietor costs as follows:

Preparing a statement and considering the other side's statement:	£250
Preparing evidence and considering and commenting on the other side's evidence:	£600
Preparation of submissions:	£350
Total:	£1200

42. I therefore order Facile & Co AB to pay Supercreep Management Limited the sum of £1200. The above sum should be paid within twenty-one days of the expiry of the appeal period or, if there is an appeal, within twenty-one days of the conclusion of the appeal proceedings.

Dated this 29th day of April 2026

John Williams

For the Registrar