

O/080/12

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION
No. 2503668
BY TONY KNIGHT
TO REGISTER THE TRADE MARK**

Worlds End

Apparel clothing

IN CLASS 25

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER No. 98987 BY
VIVIENNE WESTWOOD LIMITED**

BACKGROUND

1) On 29 November 2008 Mr Tony Knight (hereinafter the applicant), applied to register the following trade mark:

Number	Mark	Filing Date	Class	Goods
2503668	<i>Worlds End</i> <small>Apparel clothing</small>	29.11.08	25	Jeans, trousers, coats, shirts, t-shirts, blouses, skirts, hats, scarves, socks, underwear, footwear.

2) The application was examined and accepted, and subsequently published for opposition purposes on 23 January 2009 in Trade Marks Journal No.6770.

3) On 23 April 2009 Vivienne Westwood Limited (hereinafter the opponent) filed a notice of opposition. The grounds of opposition are in summary:

- a) The opponent owns a store in London which has since 1981 traded under the title Worlds End. The store sells clothing designed by Vivienne Westwood as well as clothing underwear and fashion accessories of other designers. The store is very well known in the UK and internationally. Over the past fifteen years the value of sales of clothing and other items by the store has fluctuated between £0.5 and £1 million per annum. The opponent has established substantial goodwill throughout the UK and internationally in the mark Worlds End. Use of the mark in suit by the applicant will mislead the public into believing that the clothing on offer was designed by Vivienne Westwood or approved for sale at the London store and as such cause damage to the opponent. The mark in suit therefore offends against Section 5(4)(a) of the Act.
- b) The opponent states that the applicant has a history of using without permission marks or signs belonging to the opponent. The opponent claims that it is clear that the applicant has a keen knowledge of trade marks, trading names and other signs connected with the opponent and that it is inconceivable that he was unaware of the opponent's store which has been trading under the name Worlds End since 1981. They contend that the applicant is attempting to dishonestly appropriate the opponent's goodwill and that the application offends against Section 3(6) of the Act.

4) On 4 June 2009 the applicant filed a counterstatement which denied the opponent's claims. He points out that the opponent's website (both official Vivienne Westwood and Hervia websites) for the last two years were reviewed and there is no mention of World Ends merchandise. He also points out that the opponent has just launched a new website called "Worlds end shop" which sells one offs and limited editions. He provides

a copy of the website which shows a highly stylised “worlds end” along with a device element of an arm holding a sword.

5) Both parties filed evidence, and both seek an award of costs in their favour. The matter came to be heard on 14 January 2012. The opponent had decided not to attend the hearing but instead had supplied written submissions, dated 2 February 2010 and 31 August 2011 which I shall refer to as and when required in my decision. At the appointed time Mr Knight was contacted by telephone as he had requested in order for the hearing to commence. However, he shouted at the clerk who was setting up the conference call, and when I intervened and introduced myself he put the phone down. I took from this action that Mr Knight did not wish to attend the hearing and so I will determine the matter from the papers filed.

OPPONENT’S EVIDENCE

6) The opponent supplied seventeen witness statements. The first two of which, dated 1 December 2009 and 3 December 2009, are by Christopher Di Pietro the Marketing Director of the opponent. He has worked for the opponent since 1992 in a variety of positions. He provides the following sales figures for the UK shop which is called Worlds End:

Year	Sales £
2008	328,272
2007	339,274
2006	438,589
2005	470,533
2004	337,173
2003	369,351
2002	354,632
2001	360,798
2000	323,542

7) Mr Pietro provides a considerable amount of evidence regarding previous use by the applicant of trade marks and logos which Mr Pietro contends belong to the opponent. This information is provided to inform the contention that “the applicant has a long and undistinguished history of trading under names and signs connected with Vivienne Westwood and her businesses”. However, this is merely “he said she said” evidence, and does not assist me in my decision. Mr Pietro states that it is no coincidence that the applicant has chosen a mark which, he contends, has been associated with the opponent for over 28 years. He also points out grammatical and spelling errors in the applicant’s counter-statement. At exhibit CDP7 he provides printouts from Companies House which shows that there is no company registered under the name Worlds End Apparel Clothing. They also ask the applicant to back up his claims of use of the mark in suit. Strangely, Mr Pietro seems to concentrate more on the claims made by the applicant and not on proving his own case. For example at paragraph 26 of his first statement he states:

“26. The applicant’s counterstatement is riddled at every turn with errors and inaccuracies and gross failings of grammar and syntax that make it difficult in parts even to understand. The applicant makes wild claims and inaccurate assertions to which I have alluded which must cast the gravest doubts on the veracity of the applicant’s statements in the absence of full, detailed and compelling evidence by way of support.”

8) This seems somewhat surprising as he spends 26 paragraphs contesting the claims made by the applicant. For some reason Mr Pietro also makes a number of claims against one of the applicant’s other trade marks, which has nothing to do with this case.

9) The opponent then filed thirteen pro forma witness statements. Each one consists of four paragraphs as follows:

“1. I first became aware of the Worlds End store at 403 Kings Road , London in...
2. I would describe the store as...
3. I have visited the store since.....and have bought...
4. If I were to encounter articles of clothing, headgear or footwear bearing or including the name Worlds End, I would think that the articles in question were sold by or were otherwise somehow connected with or approved by the World [sic] End store at 430 Kings Road, London.”

10) Clearly it was intended that the person would add dates in two areas and comments in two areas. Most of those signing these statements managed this task, some did not. These witness statements were signed by the following A Mascolo, 17/11/09; Bryan Adams, 22/11/09; P Mascolo, 17/11/09; Kirsten McMenemy, 23/11/09; Juergen Teller, 19/11/09; Bella Freud, 10/11/09; Erin O’Connor, 17/11/09; Joseph Corre, 18/11/09; Kim Kattrall, 17/11/09; Pamela Anderson,10/11/09; Bob Geldof, 11/11/09; Tracey Emin, 23/10/09 and Yasmin Le Bon, 4/12/09. Amongst these names I recognise two as musicians, two models, an artist and an actress. I do not recognise the others but presume them to be so-called celebrities. Quite why these witness statements were filed is not clear, as the opinions of individuals with no stated knowledge of the clothing industry is of little value. The only point that can be taken from these statements is that the shop has been open since 1981 and that shoppers have visited it. Although having criticised Mr Knight for inaccuracies it would have been advisable to spell the opponent’s mark in a consistent manner.

11) The sixteenth witness statement, dated 22 December 2009, is by Jonathan Thurgood the opponent’s Trade Mark Attorney. In the original statement of grounds the opponent claimed that Mr Knight had informed them that a friend of his worked at the opponent’s store in London. In his counterstatement Mr Knight denied that he made such a comment. Mr Thurgood claims that he made a note of his conversation with Mr Knight and repeats the accusation and attaches what he claims is a note written just after the telephone conversation. I regard this as being inconsequential.

12) The seventeenth witness statement, dated 21 December 2009, is by Vivienne Westwood a Director of the opponent. She states that her company owns the business presently carried on under the name WORLDS END at 430 Kings Road, London. According to one of her biographies attached at exhibit VW4, the shop was “named after that part of Chelsea, where a pub called World’s End stood”. At exhibit VW6 is a book written by Ms Westwood about herself. At page 15 it states:

“A brass plaque informed the visitor that this was “World’s End” (named after that part of Chelsea, where a pub called World’s End stood). Westwood enjoyed the fact that red London buses often had World’s End as their destination. The clothes’ labels depicted an arm brandishing a pirate’s cutlass, and was lettered “Westwood”, “McLaren” and “Born in England””.

13) Ms Westwood claims that her store has established a substantial national and international reputation. However a large number of the exhibits she provides are dated after the relevant date. Much of the evidence is concerned with the fame of Ms Westwood and not the store. She also refers to other trade marks that have caused issues between the two parties. At page 47 of the book at VW6 (first issued in 2004) there is a picture of an invitation to the “Worlds End Collection” Autumn-Winter 1981. At page 68 of the book is an invitation to the Witches World’s End Collection in 1983. In her statement she states:

“The World’s End Collection is a range put together personally by me in which I have selected my favourite pieces from the archive as an antidote to the transient nature of trends.”

14) She also states:

“The World’s End Collection is a fresh approach to fashion as it is not bound to traditional seasonal timings and is constantly evolving as new styles and fabrics are introduced regularly to the store. The collection never goes on sale as it does not belong to a particular season.

The World’s End Collection is available exclusively at the World’s End store, by telephone order via www.worldsendshop.co.uk and at The Child of the Jago.”

APPLICANT’S EVIDENCE

15) The applicant himself filed a witness statement, dated 12 August 2010. Mr Knight states that he has used his brand Worlds End Apparel since 1994 as one of his fashion brands. He points out that the opponent has not shown any use of its mark on clothing but merely upon a retail outlet. He makes a number of points regarding the opponent’s evidence that I have already made. He also provides three invoices showing his use of the mark in suit upon items of clothing. The first is dated 1 October 1995 and is for £1170. The second is dated 25 May 2001 and is for £1124. The third has had its date redacted and is for £1678. Without a date Mr Knight cannot rely upon the third invoice.

OPPONENT'S EVIDENCE IN REPLY

16) The opponent filed a witness statement, dated 6 June 2011, by Carlo Mario Attilio D'Amario a director of the opponent. He contests Mr Knight's view that the opponent has not used the mark WORLDS END on clothing. He states that such items have been sold in the shop since the early 1980s. The evidence at exhibit CA1 consists of printouts of pages from eBay and show labels that include the words WORLDS END in addition to the device of an arm clutching a cutlass, the words "WESTWOOD", "BORN IN ENGLAND" and "MCLAREN" although the last word is slightly unclear. Where information is provided it states that the garments date from the early 1980s. At exhibit CA2 he provides a photocopy of two labels said to have been used on garments offered for sale from the shop in 2006 and 2007. These both have the words "WORLDS END" in a highly stylised script, the device of an arm clutching a cutlass, and in one instance the words "Classics", "Born in England" and "copyright design" underneath, and in the other a signature of Vivienne Westwood and a heart device over the top of the device element and underneath the address of the shop. At exhibit CA3 he provides a number of pictures of the shop both internal and external which shows the name of the shop as Worlds End. Not all are dated, those that are show dates between 2004 and 2008 and includes a picture where several individuals appear to be dressed in a bizarre "flamboyant" manner. Mr D'Amario states that although the pictures are quite recent the store interior has remained largely unchanged in thirty years. He also provides sales figures for the shop, however I note that although they are based on calendar years exactly as the figures provided earlier in this summary they are significantly higher. Quite why none of the sales figures agree when they are based on exactly the same timeframe is unclear. At exhibit CA5 he provides a number of copies of invitations to WORLDS END collections dated 1982, 1983 and 1984. Also pictured are a T-shirt, a tie and a top with the name of the shop printed upon them and said to date from 2005-2007. At exhibit CA6 he provides a copy of a judgment by His Honour Judge Birss Q.C. in the Patents County Court dated 8 March 2011, case OCL 70100 [2011] EWPC 008. This was a very complex case and the decision is very comprehensive. It is clear that Mr Knight was involved in using a large number of marks which were found by the learned judge to be the property of the opponent in the instant case. This does suggest a pattern of behaviour where Mr Knight has been deliberately targeting the various trade marks of Vivienne Westwood and her company and attempting to claim them as his own. The part of the judgment which relates to the instant case can be found at paragraphs 171- 175 which reads:

"(a) The Claimant's rights

171. World's End has been the name of the shop on the Kings Road since 1980 and it continues today. Mr D'Amario explains that the store interior has remained largely unchanged for 30 years. World's End has appeared on labels in garments sold from the shop. The mark is generally combined with the arm and cutlass device. Since 2005 the annual sales of all goods from the shop have never been

less than about £½ Million. The VW business set up a website at www.worldsendshop.co.uk in 2008.

172. Plainly the claimant commands a substantive goodwill and reputation in World's End.

(b) The conduct complained of

173. Mr Knight has World's End collection, uses the brand "World's End apparel" and sells T-shirts bearing the words "World's End apparel" and a ram's head device. An example is at Annex 14. The term World's End is also used by Mr Knight in juxtaposition with other of the claimant's marks, for example on www.artjunki.co.uk discussed above. On eBay Mr Knight has sold a product described as "World's End saint artjunki red planet westwood V Tee.

(c) Judgment on the relevant causes of action

174. When used in combination with other famous Vivienne Westwood marks (the westwood and/or the orb) as Mr Knight does, I have no doubt that Mr Knight's use of "World's End" in relation to clothing is passing off. The public clearly associated it with the claimant and its use by Mr Knight in this way will deceive them. The presence of the ram's head does not negate that association on the occasions it appears.

175. Whether "World's End" without any other famous Vivienne Westwood marks amounts to passing off is not an issue which arises for decision."

17) Mr D'Amario draws his own conclusions from the above and contends the use of the mark in suit would amount to passing off and that the mark in suit was adopted in order to trade upon the reputation and goodwill which he claims belongs to the opponent. He also states:

"16. With regard to the s3(6) ground of opposition, it is clear from the judgment of the Patents County Court and from the evidence presented by the opponent in the present case that the defendant's/applicant's behaviour, of which the subject application is a part, falls very substantially short of the standards of acceptable commercial behaviour observed by reasonable and experienced business people in the fields of fashion design and retail."

18) That concludes my summary of the evidence filed, insofar as I consider it necessary.

DECISION

19) I first deal with the ground of opposition under Section 5(4)(a) of the Act.

“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

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.”

20) In deciding whether the mark in question offends against this section, I intend to adopt the guidance given by the Appointed Person, Mr Geoffrey Hobbs QC, in the *WILD CHILD* case [1998] RPC 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.”

21) First I must determine the date at which the opponent’s claim is to be assessed; this is known as the material date. In this regard, I note the judgment of the General Court (GC) in *Last Minute Network Ltd v Office for Harmonization in the Internal Market* (Trade Marks and Designs) (OHIM) Joined Cases T-114/07 and T-115/07. In that judgment the GC said:

“50 First, there was goodwill or reputation attached to the services offered by LMN in the mind of the relevant public by association with their get-up. In an action for passing off, that reputation must be established at the date on which the defendant began to offer his goods or services (*Cadbury Schweppes v Pub Squash* (1981) R.P.C. 429).

51 However, according to Article 8(4) of Regulation No 40/94 the relevant date is not that date, but the date on which the application for a Community trade mark was filed, since it requires that an applicant seeking a declaration of invalidity has acquired rights over its non registered national mark before the date of filing, in this case 11 March 2000.”

22) The application was filed on 29 November 2008, however the applicant claims to have first used the mark in suit in 1994 and so this is the relevant date. The evidence of use provided is scant but has not been challenged nor has the opponent sought to cross examine Mr Knight. Equally the opponent’s claim to have used their mark as the name of a shop at 430 Kings Road, London has not been challenged by Mr Knight although he did challenge the claim to have used the mark upon clothing. I take into account the comments of Mr Arnold Q.C (as he was) when acting as the Appointed Person in *Extreme* BL/161/07 where he commented on the issue of unchallenged evidence and cross examination:

“Unchallenged evidence

33. *Phipson on Evidence* (16th ed) states at paragraph 12-12:

In general a party is required to challenge in cross-examination the evidence of any witness of the opposing party if he wishes to submit to the court that the evidence should not be accepted on that point. The rule applies in civil cases as it does in criminal. In general the CPR does not alter that position.

This rules [sic] serves the important function of giving the witness the opportunity of explaining any contradiction or alleged problem with his evidence. If a party has decided not to cross-examine on a particular important point, he will be in difficult in submitting that the evidence should be rejected.

However the rule is not an inflexible one...

34. The authority cited in support of this statement of the law is the decision of the House of Lords in *Browne v Dunn* (1894) 6 R 67. The relevant passages from the speeches are set out in the judgment of Hunt J in *Allied Pastoral Holdings v Federal Commissioner of Taxation* (1983) 44 ALR 607, the material parts of which are quoted in the judgment of the Court of Appeal in *Markem Corp v Zipher Ltd* [2005] EWCA Civ 267, [2005] RPC 31 at [59]-[60].

35. In my judgment the learned editors of *Phillips* are correct to say that the rule is not an inflexible one. There are at least two well-established exceptions to it. The first is that, as the speech of Lord Herschell LC in *Browne v Dunn* makes clear, it may not be necessary to cross-examine on a point if the witness has been given full notice of it before making his statement. As I pointed out in *BRUTT Trade Marks* [2007] RPC 19 at [23], this may be significant in registry proceedings where evidence is given sequentially. The second is that a court is not obliged to accept a witness's evidence in the absence of cross-examination if it is obviously incredible: see *National Westminster Bank plc v Daniel* [1993] 1 WLR 1453.

36. Where, however, evidence is given in a witness statement filed on behalf of a party to registry proceedings which is not obviously incredible and the opposing party has neither given the witness advance notice that his evidence is to be challenged nor challenged his evidence in cross-examination nor adduced evidence to contradict the witness's evidence despite having had the opportunity to do so, then I consider that the rule in *Brown v Dunn* applies and it is not open to the opposing party to invite the tribunal to disbelieve the witness's evidence.

37. Despite this, it is not an uncommon experience to find parties in registry hearings making submissions about such unchallenged evidence which amount to cross-examination of the witness in his absence and an invitation to the hearing officer to disbelieve or discount his evidence. There have been a number of cases in which appeals have been allowed against the decisions of hearing officers who have accepted such submissions. Two recent examples where this appears to have happened which were cited by counsel for the proprietor are *Score Draw Ltd v Finch* [2007] EWHC 462 (Ch), [2007] BusLR 864 and *EINSTEIN Trade Mark* (O/068/07). Another recent example is *Scholl Ltd's Application* (O/199/06). I consider that hearing officers should guard themselves against being beguiled by such submissions (which is not, of course, to say that they should assess evidence uncritically)."

23) The opponent's evidence of use of the mark "Worlds End" is reasonably comprehensive. I accept that a highly stylised script was used but this does not affect the message that the average consumer would take from the shop front. The fascia has the words "Worlds End" printed on it in large print. The windows of the shop are divided into a number of small panes of glass, some having the words "Worlds End" and the device of an arm holding a cutlass. It is also very clear that the shop primarily sells clothing although it also carries a small amount of accessories such as hats, shoes,

bags etc. I have no doubt that the shop has been known as “Worlds End” since 1980, and that the opponent had goodwill in retail services in relation to clothing dating from this time. I am fortified in this by the finding of Judge Birss in the decision referred to at paragraph 16 above. I also bear in mind the comments in *Chelsea Man Menswear Ltd v Chelsea Girl Ltd* [1987] RPC 189. There is also evidence that the opponent has used the mark “WORLDS END” on garments sold periodically in the shop and advertised by holding select viewings which featured the mark “Worlds End” on the invitation. I accept that the garment labels and indeed the invitations also carried other marks and insignia, such as the arm clutching the cutlass, but to mind this does not diminish the use of the worlds end mark. However, initially I shall concentrate upon the opponent’s use on a retail outlet as this provides its strongest, uncontested case.

24) Turning to the evidence of Mr Knight, this is very meagre, almost to the point of non-existence. Only two invoices which can be relied upon have been filed and these show a sale in October 1995 of £1170 and a sale in May 2001 of £1124 under the mark in suit. I am willing to accept that this shows that Mr Knight first used the mark in suit in October 1995.

25) Clearly, the opponent is the senior user taking into account the comments in *Croom’s Trade Mark Application* [2005] RPC 2 and *Daimlerchrysler AG v Javid Alavi (T/A Merc)* [2001] RPC 42.

26) In considering whether use of a mark on articles of clothing would be regarded as passing off based upon earlier use of a mark upon a retail shop selling clothing, I take into account the comments in *Oakley, Inc. v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) Case T-116/06* where the court said:

“73. In that regard, the Court recalled, in paragraph 48 of *Praktiker Bau- und Heimwerkermärkte*, paragraph 17 above, that according to the case-law, the likelihood of confusion must be assessed globally, taking into account all the factors relevant to the circumstances of the case, and pointed out that, in the context of that global assessment, it is possible to take into consideration, if need be, the particular features of the concept of 'retail services' that are connected with its wide scope, having due regard to the legitimate interests of all interested parties.

74. In the present case, it cannot be excluded that the goods in question are sold in the same sales outlets as those in which the retail services are offered; that could in particular be the case if the goods covered by the trade mark THE O STORE are sold by means of O STORE services covered by the contested Community trade mark, thereby creating a likelihood of confusion in consumers' minds.

75. Even supposing that, in the present case, the goods covered by the earlier trade mark THE O STORE are not sold by means of the O STORE services covered by the contested Community trade mark, the fact remains that the

relevant public, when presented with retail services, concerning clothes or shoes in particular, and covered by the trade mark O STORE, could believe that those services are offered by the same undertaking as that which sells those same goods under the trade mark THE O STORE or by a related undertaking. In that regard, it must be recalled that, in the global assessment of the likelihood of confusion, the 'usual' circumstances in which the goods covered by the marks in dispute are marketed must be taken as a benchmark, that is, those which it is usual to expect for the category of goods or services covered by the marks in question (see, to that effect, [T-147/03](#) Devinlec v OHIM - TIME ART (QUANTUM) [2006] ECR II11, paragraph 103, upheld on appeal in Case [C-171/06](#) P T.I.M.E. ART/Devinlec v OHIM, not published in the ECR).

76. Consideration of the objective circumstances in which the goods and services covered by the marks in dispute are marketed is fully justified. The examination of the likelihood of confusion which the OHIM authorities are called on to carry out is prospective. Since the particular circumstances in which the goods covered by the marks are marketed may vary in time, and depending on the wishes of the proprietors of the trade marks, the prospective analysis of the likelihood of confusion between two marks, which pursues an aim in the general interest, that is, that the relevant public may not be exposed to the risk of being misled as to the commercial origin of the goods in question, cannot be dependent on the commercial intentions, whether carried out or not - and which are naturally subjective - of the trade mark proprietors (QUANTUM, paragraph 75 above, paragraph 104, and T.I.M.E. ART/Devinlec v OHIM, paragraph 75 above, paragraph 59).

77. With regard, finally, to the applicant's argument that the likelihood of confusion must be excluded on account of the minimal or even non-existent degree of distinctiveness of the elements 'the' and 'o' of the earlier trade mark THE O STORE, allied to the fact that the intervener has failed to show that that mark was well established on the French market, it must be pointed out that, as OHIM has correctly stated, while those elements taken individually are barely distinctive, the fact remains that the combination of those elements, two of which come from English, usually proves to be distinctive for French consumers with regard to the goods in question. Since the earlier trade mark is usually distinctive, the applicant's argument must be dismissed as lacking any factual basis.

78. It follows from all of the foregoing that the Board of Appeal was correct to find that there is a likelihood of confusion and to uphold the invalidity of the Community trade mark O STORE for 'retail and wholesale of clothing, headwear, footwear, athletic bags, backpacks and knapsacks and wallets' and 'retail and wholesale services, including on-line retail store services'."

27) I also take into account the comments of Morritt L J in the Court of Appeal in *Neutrogena Corporation and Another. v Golden Limited and Another* [1996] RPC 473, when he said, in effect, that the correct test on the issue of deception or confusion was

whether, on the balance of probabilities, a substantial number of members of the public would be misled into purchasing the applicant's products in the belief that they were the registered proprietor's. In the instant case the average consumer would be the general public.

28) To my mind use of the mark applied for on clothing would mislead consumers into believing that the clothing was associated with the opponent's store. Having established goodwill and misrepresentation I have no doubt that the opponent's business would also suffer damage. The ground of opposition under Section 5(4)(a) succeeds. Given this finding I do not need to consider the position regarding the opponent's use upon clothing.

29) I now turn to the ground of opposition under Section 3(6) which reads:

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

30) Section 3(6) has its origins in Article 3(2)(d) of the Directive, the Act which implements Council Directive No. 89/104/EEC of 21 December 1988 which states:

"Any Member State may provide that a trade mark shall not be registered or, if registered, shall be liable to be declared invalid where and to the extent that....

(c) the application for registration of the trade mark was made in bad faith by the applicant."

31) I refer to case O/094/11 *Ian Adam* where Mr Hobbs QC acting as the Appointed Person said:

"32. Any attempt to establish bad faith must allow for the fact that there is nothing intrinsically wrong in a person exercising *'the right to apply the rules of substantive and procedural law in the way that is most to his advantage without laying himself open to an accusation of abuse of rights'* as noted in paragraph [121] of the Opinion delivered by Advocate General Trstenjak in Case C-482/09 Budejovicky Budvar NP v. Anheuser-Busch Inc on 3 February 2011. In paragraph [189] of his judgment at first instance in Hotel Cipriani SRL v. Cipriani (Grosvenor Street) Ltd [2009] EWHC 3032 (Ch); [2009] RPC 9 Arnold J. likewise emphasised:

"... that it does not constitute bad faith for a party to apply to register a Community trade mark merely because he knows that third parties are using the same mark in relation to identical goods or services, let alone where the third parties are using similar marks and/or are using them in relation to similar goods or services. The applicant may believe that he has a superior right to registration and use of the mark. For example, it is not uncommon for prospective claimants who intend to sue a prospective defendant for passing off first to file an application for registration to strengthen their position. Even

if the applicant does not believe that he has a superior right to registration and use of the mark, he may still believe that he is entitled to registration. The applicant may not intend to seek to enforce the trade mark against the third parties and/or may know or believe that the third parties would have a defence to a claim for infringement on one of the bases discussed above. In particular, the applicant may wish to secure exclusivity in the bulk of the Community while knowing that third parties have local rights in certain areas. An applicant who proceeds on the basis explicitly provided for in Art. 107 can hardly be said to be abusing the Community trade mark system.”

These observations were not called into question in the judgment of the Court of Appeal in that case: [2010] EWCA Civ 110; [2010] RPC 16. They were re-affirmed by Arnold J. in *Och-Ziff Management Europe Ltd v. Och Capital LLP* [2011] ETMR 1 at paragraph [37].

33. The line which separates legitimate self-interest from bad faith can only be crossed if the applicant has sought to acquire rights of control over the use of the sign graphically represented in his application for registration in an improper manner or for an improper purpose. The appropriate remedy will in that case be rejection of the offending application for registration to the extent necessary to render it ineffective for the purpose which made it objectionable in the first place.

34. In a case where the relevant application fulfils the requirements for obtaining a filing date, the key questions are: (1) what, in concrete terms, is the objective that the applicant has been accused of pursuing? (2) is that an objective for the purposes of which the application could not properly be filed? (3) is it established that the application was filed in pursuit of that objective? The first question serves to ensure procedural fairness and clarity of analysis. The second question requires the decision taker to apply a moral standard which, in the absence of any direct ruling on the point from the Court of Justice, is taken to condemn not only dishonesty but also *‘some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined’*: *Gromax Plasticulture Ltd v. Don & Low Nonwovens Ltd* [1999] RPC 367 at 379 (Lindsay J). The third question requires the decision taker to give effect to the principle that innocence must be presumed in the absence of evidence sufficient to show that the applicant has acted improperly as alleged.

35. In assessing the evidence, the decision taker is entitled to draw inferences from proven facts provided that he or she does so rationally and without allowing the assessment to degenerate into an exercise in speculation. The Court of Justice has confirmed that there must be an overall assessment which takes into account all factors relevant to the particular case: Case C-529/07 *Chocoladefabriken Lindt & Sprüngli AG v. Franz Hauswirth GmbH* [2009] ECR I-4893 at paragraph [37]; Case C-569/08 *Internetportal und Marketing GmbH v. Richard Schlicht* [2010] ECR I-00000 at paragraph [42]. As part of that assessment it is necessary as part

of that approach to consider the intention of the applicant at the time when the application was filed, with intention being regarded as a subjective factor to be determined by reference to the objective circumstances of the particular case: Chocoladefabriken Lindt & Sprüngli GmbH (above) at paragraphs [41], [42]; Internetportal and Marketing GmbH (above) at paragraph [45]. This accords with the well-established principle that 'national courts may, case by case, take account -on the basis of objective evidence -of abuse or fraudulent conduct on the part of the persons concerned in order, where appropriate, to deny them the benefit of the provisions of Community law on which they seek to rely': Case C16/05 The Queen (on the applications of Veli Tum and Mehmet Dari) v. Secretary of State for the Home Department [2007] ECR I-7415 at paragraph [64].

36. The concept of assessing subjective intention objectively has recently been examined by the Court of Appeal in the context of civil proceedings where the defendant was alleged to have acted dishonestly: Starglade Properties Ltd v. Roland Nash [2010] EWCA Civ 1314 (19 November 2010). The Court considered the law as stated in Royal Brunei Airlines v. Tan [1995] 2 AC 378 (PC), Twinsectra Ltd v Yardley [2002] 2 AC 164 (HL), Barlow Clowes International Ltd v. Eurotrust International Ltd [2006] 1 WLR 1476 (PC) and Abu Rahman v. Abacha [2007] 1 LL Rep 115 (CA). These cases were taken to have decided that there is a single standard of honesty, objectively determined by the court and applied to the specific conduct of a specific individual possessing the knowledge and qualities that he or she actually possessed: see paragraphs [25], [28], [29] and [32]. This appears to me to accord with treating intention as a subjective factor to be determined by reference to the objective circumstances of the particular case, as envisaged by the judgments of the Court of Justice relating to the assessment of objections to registration on the ground of bad faith."

32) In asserting that the marks were registered in bad faith, the onus rests with the opponent to make a prima facie case. A claim that a mark was registered in bad faith implies some action by the applicant which a reasonable person would consider to unacceptable behaviour or, as put by Lindsay in the *Gromax* trade mark case [1999] RPC 10:

"includes some dealings which fall short of the standards of acceptable commercial behaviour".

33) The issue must be determined on the balance of probabilities. On the basis of these authorities it is clear that a finding of bad faith may be made in circumstances which do not involve actual dishonesty. Furthermore, it is not necessary for me to reach a view on the applicant's state of mind regarding the application for registration if I am satisfied that his actions in applying for the mark in the light of all the surrounding circumstances would have been considered contrary to normally accepted standards of honest conduct.

34) In the instant case the applicant was well aware of the activities of the opponent, as he has been found to have been systematically infringing the opponent's marks by the Patents County Court in the judgment referred to earlier in this decision. It would appear that Mr Knight is fully aware of the various marks used by the opponent and has sought to use and/or register marks which either wholly incorporate them or which are very similar to the opponent's trade marks. There would appear to be a clear pattern of behaviour, and the only reason that the applicant sought to register the mark in suit was to benefit from the reputation that the mark enjoyed, based upon the use of it by the opponent over a period of thirty years. I find that the mark was applied for in bad faith, and so the opposition based upon Section 3(6) also succeeds.

COSTS

35) The opponent has succeeded on both the grounds pleaded. As such it is entitled to a contribution towards its costs. In written submissions, the opponent sought costs over and above the scale stating that Mr Knight has behaved unreasonably during the course of this case. Having considered all the papers it is my view that there is a degree of truth in this, albeit that the opponent was not without fault and filed evidence which did not particularly assist me in my decision. The opponent has filed a schedule of costs amounting to £14,852.11. this does not detail the number of hours spent on each task, but consists for the most part of copies of invoices sent to the opponent. Some of the costs appear to be much higher than one might have expected given the description of what the invoice related to. Mr Knight did not comment upon the schedule.

36) I order Mr Tony Knight to pay Vivienne Westwood Limited the sum of £9,000. This sum 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 23rd day of February 2012

**George W Salthouse
For the Registrar,
the Comptroller-General**