

O/1000/23

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO. UK00003790099

BY BENJAMIN ONALAJA

TO REGISTER THE FOLLOWING TRADE MARK:



IN CLASS 43

AND IN THE MATTER OF OPPOSITION THERETO

UNDER NO. 435936

BY TITILOPE TEMITOPPE ADELEKE

BACKGROUND AND PLEADINGS

1. On 19 May 2022, Benjamin Onalaja (“the applicant”) applied to register the trade mark shown on the cover page of this decision, in the UK. The trade mark was published for opposition purposes on 10 June 2022 and registration is sought for the following services:

Class 43 Restaurants; Restaurant services; Grill restaurants; Fast food restaurants; take-away restaurant services; Take-out restaurant services; Restaurant and bar services; Restaurant services incorporating licensed bar facilities; Serving food and drink for guests in restaurants; Serving food and drink in restaurants and bars; Making reservations and bookings for restaurants and meals; Reservation and booking services for restaurants and meals; Providing food and drink for guests in restaurants; Providing food and drink in restaurants and bars; Restaurant services for the provision of fast food.

2. On 30 August 2022, the application was opposed by Titilope Temitope Adeleke (“the opponent”) based upon section 3(6) of the Trade Marks Act 1994 (“the Act”). The opponent claims that both parties are directors of a company called Surf & Soul (MCR) Limited (“the company”) which operates a business trading under the mark applied-for. The opponent claims that the applicant has applied for the application with the intention of using this “against the Opponent and the company” and, despite being offered the opportunity to assign the registration to the company, has failed to do so.

3. The applicant filed a counterstatement denying the ground of opposition and stating:

“The applicant rejects the notion that their intention to register the mark is to use it against Soul & Surf (MCR). The applicant is also director of Soul & Surf (MCR) and as such, has a vested interest in the success of the business. The applicant does not intend to block the mark’s current usage as the primary branding for their restaurant business or any future usage of the mark in any related business.”

4. The applicant is represented by The Trademark Helpline and the opponent is represented by Wilson Gunn.

5. Both parties filed evidence. The opponent also filed evidence in reply. Neither party requested a hearing, and neither filed written submissions in lieu. This decision is taken following a careful perusal of the papers.

EVIDENCE AND SUBMISSIONS

6. The opponent gave a witness statement as evidence in chief dated 5 December 2022, which is accompanied by 4 exhibits (TA1 to TA4).

7. The opponent's evidence in chief was accompanied by written submissions dated 5 December 2022.

8. The applicant gave a witness statement dated 6 February 2023.

9. The applicant's evidence was accompanied by written submissions dated 6 February 2023.

10. The opponent gave a second witness statement as evidence in reply dated 6 April 2023, which is accompanied by 4 exhibits (WS2TA1 to WS2TA4).

11. I have taken the evidence and submissions into account in reaching my decision and will refer to them below where necessary.

RELEVANCE OF EU LAW

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

DECISION

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 *Sky Limited & Ors v Skykick, UK Ltd & Ors*, [2021] EWCA Civ 1121 the Court of Appeal considered the case law from *Chocoladefabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH*, Case C-529/07 EU:C:2009:361, *Malaysia Dairy Industries Pte. Ltd v Ankenævnetfor Patenter Varemærker* Case C-320/12, EU:C:2013:435, *Koton Mağazacılık Tekstil Sanayi ve Ticaret AŞ*, Case C-104/18 P, EU:C:2019:724, *Hasbro, Inc. v EUIPO, Kreativni Dogaaji d.o.o. intervening*, Case T-663/19, EU:2021:211, *pelicantravel.com s.r.o. v OHIM, Pelikan Vertriebsgesellschaft mbH & Co KG (intervening)*, Case T-136/11, EU:T:2012:689, and *Psytech International Ltd v OHIM, Institute for Personality & Ability Testing, Inc (intervening)*, Case T-507/08, EU:T:2011:46. It summarised the law as follows:

“68. The following points of relevance to this case can be gleaned from these CJEU authorities:

1. The allegation that a trade mark has been applied for in bad faith is one of the absolute grounds for invalidity of an EU trade mark which can be relied on before the EUIPO or by means of a counterclaim in infringement proceedings: *Lindt* at [34].

2. Bad faith is an autonomous concept of EU trade mark law which must be given a uniform interpretation in the EU: *Malaysia Dairy Industries* at [29].

3. The concept of bad faith presupposes the existence of a dishonest state of mind or intention, but dishonesty is to be understood in the context of trade mark law, i.e. the course of trade and having regard to the objectives of the law namely the establishment and functioning of the internal market, contributing to the system of undistorted competition in the Union, 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 the consumer, without any possibility of confusion, to distinguish those goods or services from others which have a different origin: *Lindt* at [45]; *Koton Mağazacılık* at [45].

4. The concept of bad faith, so understood, relates to a subjective motivation on the part of the trade mark applicant, namely a dishonest intention or other sinister motive. It involves conduct which departs from accepted standards of ethical behaviour or honest commercial and business practices: *Hasbro* at [41].

5. The date for assessment of bad faith is the time of filing the application: *Lindt* at [35].

6. It is for the party alleging bad faith to prove it: good faith is presumed until the contrary is proved: *Pelikan* at [21] and [40].

7. Where the court or tribunal finds that the objective circumstances of a particular case raise a rebuttable presumption of lack of good faith, it is for the applicant to provide a plausible explanation of the objectives and commercial logic pursued by the application: *Hasbro* at [42].

8. Whether the applicant was acting in bad faith must be the subject of an overall assessment, taking into account all the factors relevant to the particular case: *Lindt* at [37].

9. For that purpose it is necessary to examine the applicant's intention at the time the mark was filed, which is a subjective factor which must be determined by reference to the objective circumstances of the particular case: *Lindt* at [41] – [42].

10. Even where there exist objective indicia pointing towards bad faith, however, it cannot be excluded that the applicant's objective was in pursuit of a legitimate objective, such as excluding copyists: *Lindt* at [49].

11. Bad faith can be established even in cases where no third party is specifically targeted, if the applicant's intention was to obtain the mark for purposes other than those falling within the functions of a trade mark: *Koton Mağazacılık* at [46].

12. It is relevant to consider the extent of the reputation enjoyed by the sign at the time when the application was filed: the extent of that reputation may justify the applicant's interest in seeking wider legal protection for its sign: *Lindt* at [51] to [52].

13. Bad faith cannot be established solely on the basis of the size of the list of goods and services in the application for registration: *Psytech* at [88], *Pelikan* at [54].”

15. According to *Alexander Trade Mark*, BL O/036/18, the key questions for determination in a claim of bad faith are:

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

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

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

16. It is necessary to ascertain what the applicant knew at the relevant date: *Red Bull 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?

17. The opponent's bad faith claim is pleaded as follows:

“The Applicant is a director of the company Surf & Soul (MCR) Limited. The Opponent is also a director of the same company. The company operates the business trading under the mark subject of the opposed application. The Applicant is therefore fully aware that it is the company that is the true proprietor of the opposed mark. The Applicant has no claim to personal ownership of the mark subject of this opposition. The Applicant filed the application without the knowledge or authorisation of the Opponent. The Applicant's intention in seeking to claim personal ownership of the mark is dishonest, the Applicant's actions fall below the standards of acceptable commercial behaviour. The Opponent believes that the Applicant's intention is to obtain registration and use this against the Opponent and the company. The Applicant was allowed the opportunity by the Opponent to assign the registration to the company but he has not done so.”

18. The opponent's case is that the applicant has filed the application with the intention of disrupting the business of the company, of which both the applicant and the opponent are directors.

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

19. Plainly, that is an objective for the purposes of which the contested application could not be properly filed.

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

20. The parties appear to be in agreement that the company was incorporated on 16 June 2021 and that, by the relevant date, it was trading as a restaurant. Both parties

also seem to agree that the mark applied-for is the same mark as the one used by the company for the purposes of its restaurant business. This is supported by the evidence, which shows social media posts from an account displaying the applied-for mark dating back to 5 December 2021 advertising a “brunch”.¹ It is not in dispute that both parties are directors of the company, and so both would have had knowledge of the applied-for mark being used for the restaurant business.

21. The opponent’s unchallenged evidence is that the relationship between the applicant and the other directors of the company had broken down prior to the relevant date. The opponent claims that the applicant was neglecting his duties as a director, was difficult with staff members, changed the passwords for the social media accounts used by the company and had taken company funds without consent of the other directors. This evidence does not appear to be disputed by the applicant. Indeed, the applicant appears to acknowledge that there were issues between himself and his colleagues, as his written submissions confirm that there had been a “breakdown in communication” and “issues in the business”.

22. In my view, all of this creates a prima facie case of bad faith on the basis that the application was part of a pattern of behaviour on the part of the applicant to disrupt the business of the company.

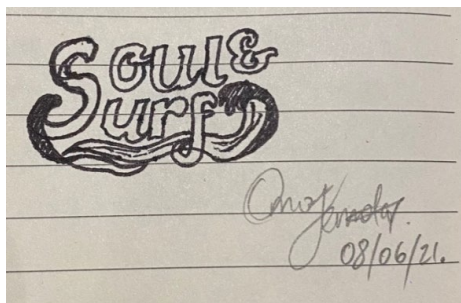
23. The applicant has filed evidence to rebut the opponent’s prima facie case. His main case appears to be that he disputes that the applied-for mark is the property of the company. This is because:

- a) He claims to have come up with the concept and branding himself, as well as employing the designer of the logo and sourcing the premises from which the company operates.
- b) He claims to have used his own personal funds to pay for the creation of the logo.

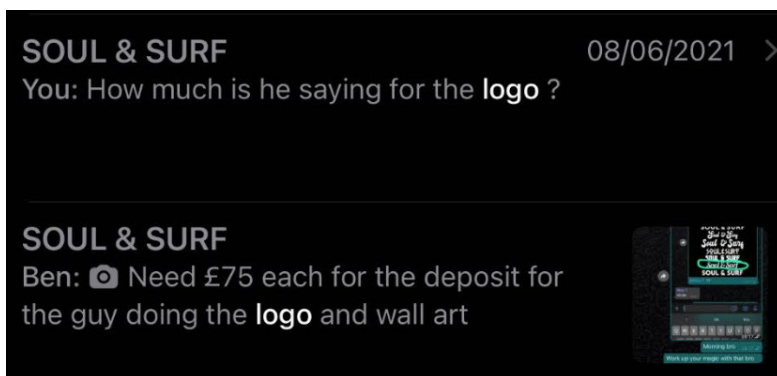
¹ Exhibit TA2

c) He claims to have paid for the application in issue using his own personal funds.

24. With regard to point c), it is hardly surprising that he has paid for the application out of his own funds given that it has been applied-for in his own name, not that of the company. However, this does not necessarily mean that application should be registered, if the opponent is correct and his application has been made in bad faith. With regard to point a), the opponent has filed a copy of the original sketch upon which the applied-for mark was based which is signed and dated by one of the other directors:²



25. Even if the applicant had created the logo himself, was the person responsible for liaising with the designer and secured the premises for the company, that is not inconsistent with his role as a director and does not rebut the claim that the application has been made in bad faith. With regard to point b), the opponent has filed evidence showing messages between the parties, in which the opponent is “YOU” and the applicant is “BEN”:



² Exhibit WS2TA3

26. The opponent notes that this message requested money from each of the directors to pay for the deposit for the logo for the company, suggesting that it was not in fact the applicant who paid for it himself.³

27. In my view, the evidence filed by the applicant is not sufficient to rebut the opponent's prima facie case of bad faith. This is because the opponent has filed evidence to counter the position put forward by the applicant, but also (and most importantly) because the applicant has failed to provide a convincing explanation as to why he considered it appropriate to apply for the trade mark that he knew was being used by the company, of which he was a director at all material times. Ultimately, an application for a trade mark in his own name provides him with a national right to the exclusion of all others (including the company); in my view, the applicant should have known this. Taking all of this into account, I consider that the application has been applied-for in bad faith.

28. I am fortified in this finding by the applicant's response to the opponent's request that the mark be assigned to the company. The applicant states:

"I am willing to assign the trademark to the company once other issues which are central to a sustainable working relationship between the directors are resolved."

29. This attempt to use the applied-for mark as leverage in other disputes ongoing between the directors of the company is reflective (in my view) of the applicant's intention at the relevant date i.e. to disrupt the activities of the company until such time as his own issues/concerns had been resolved to his satisfaction.

CONCLUSION

30. The opposition is successful, and the application is refused.

³ Exhibit WS2TA2

COSTS

31. As the opponent has been successful she is entitled to a contribution towards her costs, based upon the scale published in Tribunal Practice Notice 2/2016. In the circumstances, I award the opponent the sum of **£1,700**, calculated as follows:

Preparing a Notice of opposition and considering the applicant's counterstatement	£350
Preparing evidence and considering the applicant's evidence	£800
Written submissions	£350
Official fee	£200
Total	£1,700

32. I therefore order Benjamin Onalaja to pay Titilope Temitope Adeleke the sum of **£1,700**. This sum is to be paid within 21 days of the expiry of the appeal period or, if there is an appeal, within 21 days of the conclusion of the appeal proceedings.

Dated this 25th day of October 2023

S WILSON

For the Registrar