

O-123-03

**IN THE MATTER OF Registration No.
2029744 in the name of Caratti Sport Limited
and Application for a Declaration of Invalidity
No. 80096 thereto by Bikenet Motorcycles Limited**

BACKGROUND



1. The trade mark  has been registered since 4 July 1997 under number 2029744 and stands in the name of Caratti Sports Limited. It is registered in respect of:

Class 12:

Cycles and bicycles and parts and fittings therefore; bells; brakes, gear shifts, chains, frames, handlebar grips, horns, mirrors, pedals, rims, tyres, tubeless tyres, inner tubes, pumps; bicycle tyre repair kits; saddles; training wheels and stabilizers; child carrying seats for use on cycles; shock cords, carrier straps, bags and baskets, all adapted for use with cycles; kickstands.

Class 25:

Vests, jerseys, T-shirts, shorts, socks and shoes; all for use in cycling.

Class 35:

Business and business management consultancy and advisory services; advertising, marketing, publicity and promotional services; arranging and conducting business or trade shows and exhibitions for business or commercial purposes.

2. On 11 September 2001, Bikenet Motorcycles Limited filed an application for a declaration of invalidity on the registration. The action was filed on Form TM26(I) together with the appropriate fee. The statement of grounds accompanying the application set out the grounds of action, which are as follows:

1. It is submitted that the registration should be removed from the Trade Marks Register under Section 47(1) of the 1994 Trade Marks Act, as it is considered that it is in breach of Section 3(6) of the Act, having been filed in bad faith, as it is submitted that the Registrants had no intention to use the Registration on

or in relation to any of the goods covered by the Registration, and that no such use has been made.

2. It is therefore requested that the Registration in its entirety is removed from the Register and an award of costs be made in favour of the applicant.
3. The registered proprietor did not file a counter-statement to defend their registration.
4. The applicants for invalidity were invited to file written submissions or evidence in support of their application. No submissions or evidence was filed by the applicant for invalidity.
5. Acting on behalf of the Registrar and after a careful study of the papers before me I give this decision.

DECISION

6. Despite having been notified of the application for invalidity the action is uncontested by the registered proprietor. It does not however follow that the uncontested nature of this action will automatically mean success for the applicant for invalidity and failure for the registered proprietor. The onus in these circumstances is on the applicant for invalidity to prove why it is that the registration should be declared invalid.

7. I am mindful of the decision in the *Firetrace Case* (BL 0/278/01) where the Hearing Officer stated:

“It is not sufficient to simply allege that a registration offends either Section 46 or 47 of the Act without doing more to prove that the allegation has substance. That said, when an application for revocation (other than non-use) or invalidation is made and the registered proprietors choose not to respond to such a request, I do not think that it is necessary for the applicants in those circumstances to have to fully substantiate their allegations beyond providing evidence which supports a prima facie case.”

8. The reason that the Hearing Officer arrived at this view is the statutory presumption in Section 72 of the Act which states:

“In all legal proceedings.....the registration of a person as proprietor of a trade mark shall be prima facie evidence of the validity of the original registration and of any subsequent assignment or other transaction of it.”

9. With this in mind, I now turn to consider whether the statement of grounds and written submissions provided by the applicant for invalidity is sufficient, prima facie, to allow the application for invalidity.

10. The applicants claim that the registration should be declared invalid as per Section 47 of the Act on the basis of the provisions of Section 3(6). The relevant parts of the Act are 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).

Where the trade mark was registered in breach of subsection (1)(b), (c) or (d) of that section, it shall not be declared invalid if, in consequence of the use which has been made of it, it has after registration acquired a distinctive character in relation to the goods or services for which it is registered.

(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.”

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

11. Recent case law has indicated that bad faith is a serious allegation. In *Royal Enfield* BL 0/363/01 Mr Simon Thorley QC, sitting as the Appointed Person, held:

“An allegation that a trade mark has been applied for in bad faith is a serious allegation. It is an allegation of a form of commercial fraud. A plea of fraud should not be lightly made (see Lord Denning M.R. in *Associated Newspapers* (1970) 2 QB 450 at 456) and if made should be distinctly alleged and distinctly proved. It is not permissible to leave fraud to be inferred from the facts (see *Davy v. Garrett* (1878) 7 Ch. D. 473 at 489). In my judgement precisely the same considerations apply to an allegation of lack of bad faith made under section 3(6). It should not be made unless it can be fully and properly pleaded and should not be upheld unless it is distinctively proved and this will rarely be possible by a process of inference.”

12. Despite the applicants for invalidity stating in their statement of grounds that the Registrants had no intention to use the registration on or in relation to any of the goods covered by the registration no actual evidence has been filed to support these submissions. Bad faith is a serious allegation and the onus is on the applicants for invalidity to raise at least a *prima facie* case. It seems to me that the applicants for invalidity’s case contains mere assertion. There seems to me to be nothing on which I could find or infer that at the time the registration was sought the registered proprietors lacked the *bona fide* intention to use the trade mark.

14. With this in mind, I conclude that a *prima facie* case of bad faith has not been established by the applicants for invalidity and the invalidity under Section 3(6) fails.

15. The applicants for invalidity in their statement of grounds request an award of costs in these proceedings. The applicants have been unsuccessful in these proceedings, therefore, I do not consider it appropriate to make an award of costs in their favour.

Dated this 29TH day of April 2003

**Sally Long (Mrs)
For the Registrar
the Comptroller General**