

O/163/12

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO 2557692
BY
TORCHY LIMITED
TO REGISTER THE TRADE MARK**

T  RCHY

IN CLASS 11

AND

**THE OPPOSITION THERETO
UNDER NO 101477
BY
ANNA GORE**

Background

1. On 6 September 2010, Torchy Limited (“the applicant”) applied to register a trade mark for *torches and bike lights* (class 11):



2. The application was published on 29 October 2010 in the *Trade Marks Journal*, following which an opposition was filed by Anna Gore, who claims that the application offends sections 3(6) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”).

3. Section 3(6) states:

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

When Ms Gore filed her notice of opposition, her pleaded ground under section 3(6) read:

“Torchy the Torchman and Torchy’s Torches and Bike Lights were registered for as user names and shop name on Ebay in December 2009 and January 2010 respectively. Since then a well established profitable business has been built up developing the brand name so that prospective customers recommended by our previous customers can find us. The owner of Torchy Ltd previously sold similar products on Ebay and in August 2010 registered as a limited company and this has since made it very difficult for buyers to know who they are buying from, resulting in diversion of trade.”

4. The Trade Mark Registry requested clarification of her section 3(6) claim. Ms Gore responded by sending a letter and attachments. Some, but not all, of the attachments to her letter were later filed as evidence. Her letter included the following statements (references to attachments omitted):

“Jim Donaghy has been registered on ebay since 26 May 2001 firstly as jack_ster and from as big_f_d_d [...].

The big_f_d_d ebay id has been selling bikelights and torches along with other items since atleast February 2007 [...] From early 2010 big_f_d_d specialised in torches and bike lights only [...].

I registered my to change my user ID to torchytorchman on 2 December 2009 [...].

I registered my ebay shop torchys torches and bike lights on 9 January 2009 [...] and have been selling increasing volumes of bike lights and torches since that date.

As an ebay seller I have always been aware of the seller big_f_d_d and there are about 10 other UK based sellers who continually sell torches and bike lights specifically marketed at mountain biking and endurance night riding enthusiast. I chose my user and shop names after research to make sure they were not similar to other sellers in the same market and have worked hard to develop a brand which is known for its quality and has been recommended by customers to their friends and family.

On 1 July 2010 Jim Donaghy registered the website www.torchythebatteryboy.com and once designed it was linked from all ebay listings by big_f_d_d [...].

Torchy Ltd was registered at Company House on 23 August 2010 by Jim Donaghy [...].

The 'Torchy' Trade Mark was first applied for on 6 September 2010 by Torchy Ltd which is run by Jim Donaghy.

As an ebay seller in a specialist area of sales Torchy Ltd, could not possibly have not known about other sellers marketing very similar items.

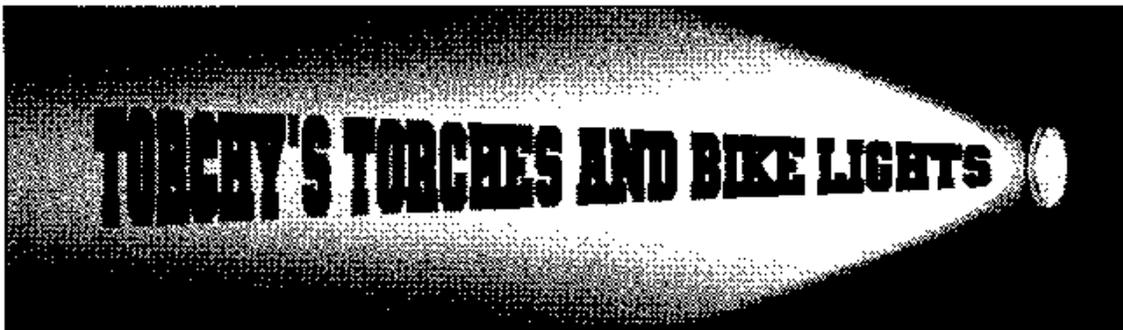
Torchy Ltd only appear to sell on ebay and their user id big_f_d_d has for the last year competed with my listings under torchytorchman /torchys torches and bike lights for the top search result when searching 'SSC P7' (which is a kind of LED in torches and bikelights that is very bright and what mountain bikers and similar search for when looking for lights) [...]. Buyers looking into the listings are already confused by some listings being sold by a business called Torchy Ltd [...] and other listings being sold by torchytorchman in the torchys torches and bike lights shop and I receive emails from buyers believing us to be the same entity, I am sure I have lost business due to the ambiguity. If the Torchy Trademark is approved in favour of the applicant my business as an ebay seller, which has grown from starting in December 2009 to having a turnover requiring VAT registration, will be very difficult to recreate using a different brand."

An attachment which was not later filed as evidence is a print from eBay of listings for the SSC P7 light, dated 18 February 2011. There are handwritten annotations on some of the listings: "listed by big_f_d_d Torchy Ltd" and "listed by torchytorchman".

5. Ms Gore's other ground of opposition is under Section 5(4)(a) of the Act, which states:

"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) [...]"

Ms Gore claims that the sign shown below was first used in the UK on 14 January 2010 on www.ebay.co.uk in relation to "bikes and bike lights".



She says:

"Prospective customers who use recommendations from our previous customers can be confused by another seller using 'torchy' to promote similar goods. My business was set up previous to the 'torchy' trademark application, the applicant's use of the 'Torchy' name is causing significant diversion of trade."

6. Ms Gore's notice of opposition, which includes the letter and attachments referred to above, was duly served upon the applicant. A counterstatement was filed on behalf of the applicant by Jim Donaghy. Mr Donaghy states:

"Torchy Ltd is a dormant company at the time of writing, with no trading history. Ergo the company has had no effect on the trading of any other business concern or individual. Neither has the company ever had any presence on the internet. It is noted that none of the evidence submitted by the opponent relates to the activities of Torchy Ltd. It is also noted that the opponent has submitted no evidence to demonstrate that they have claim to the use of the trademark applied for nor any similar brand name."

7. Neither party has been legally represented in these proceedings. I am prepared to accept Mr Donaghy's counterstatement as a defence expressed by someone who is unfamiliar with the differences between trade marks and company names. Ms Gore filed a witness statement with exhibits. Mr Donaghy, for the applicant, did not file any evidence, but filed a very short letter as his written submissions. Both parties were informed that they could either request a hearing or, instead, have a decision made on the merits of the case from the papers they had filed, with the opportunity to file written submissions in lieu of attending a hearing. Both parties confirmed by telephone that they wished for a decision to be made from the papers. Neither party filed written submissions in lieu of a hearing.

Ms Gore's Evidence

8. Ms Gore has filed a witness statement dated 19 September 2011. She states that Torchy's Torches and Bike Lights "have been used by myself on Ebay from December 2009 and January 2010 respectively". Ms Gore repeats some of the information included with her notice of opposition. She says that Jim Donaghy is the owner of Torchy Ltd and that he has been registered on ebay as jack_ster and big_f_d_d. Appendix 1 is an "eBay Member User ID History" print showing the two IDs. Ms Gore states that Mr Donaghy has been selling bike lights, torches and other items since at least February 2007: appendix 2 shows a print dated 18 February 2011 of feedback comments on eBay for the seller big_f_d_d. Ms Gore states that she registered her changed eBay user ID, torchythetorchman, on 2 December 2009 (evidenced by Appendix 3, previously annaandglynn), because she wanted to start working as a sole trader. Ms Gore says that her change to her ID was made after Jim Donaghy, the owner/director of Torchy Ltd, selling as big_f_d_d, was established in the same area of sales.

9. Ms Gore states that she registered her eBay shop 'torchy's torches and bike lights' on 9 January 2010 (evidenced by Appendix 4 which is a confirmation from eBay that she registered the Basic eBay store name on that date), operating as a sole trader under that name to sell bike lights, torches and related equipment. Since that date, Ms Gore states that her eBay shop has sold products to customers throughout the UK and overseas. She says that her business has grown quickly, establishing a UK wide reputation based on high performance products with strong service and quality, which has meant that she does not need to advertise.

10. Ms Gore states that, as an ebay seller, she has always been aware of the seller big_f_d_d and other UK based eBay sellers of torches and bike lights. She states that she chose her eBay user and shop names after research to ensure that the names were not similar to other sellers in the same market. She says that six months after she had been using torchy and torchythetorchman successfully on eBay, Jim Donaghy registered the website www.torchythebatteryboy.com on 1 July 2010, (appendix 5, linking it to the eBay

listings by big_f_d_d. Torchy Limited was registered as a company name on 23 August 2010 (print from the register of Companies (at Companies House) is shown as appendix 7). On 12 August 2010, Ms Gore sent a message to big_f_d_d via the eBay messaging facility, which was effectively a 'cease and desist' communication. She states that she received no response.

11. Ms Gore says that Jim Donaghy, the owner/director of Torchy Ltd, had only sold torches and bike lights under the user ID big_f_d_d, competing with her listings under torchytorchman/torchys torches and bike lights, for the top search results for bike lights on eBay. She says:

"...it is inconceivable to suggest the applicant Torchy Ltd was unaware of an ebay trader operating in the same specialist area, who had already adopted the Torchy name, and it is my opinion that the applicant sought to benefit from my strong reputation, and diversion of trade, by selecting the Torchy name, 6 months after I began trading under the same name on ebay."

12. Mr Donaghy has filed written submissions on behalf of the applicant. These say:

"The documentation does not relate to Torchy Ltd. Neither does it demonstrate any historic use of the trade mark, or any similar, by the opposer, as previously requested."

The applicant, in its counterstatement, had requested proof that Ms Gore had used, presumably, the sign relied upon for her section 5(4)(a) ground, on bike lights, torches and flashlights. Proof of use is only relevant for grounds under sections 5(1), 5(2) and 5(3) of the Act; having said that, in order to support a ground under section 5(4)(a), Ms Gore would need to demonstrate goodwill in the sign relied upon.

Decision

The ground of opposition under section 5(4)(a) ("passing off")

13. The requirements to succeed in a passing off action are well established and are summarised in *Halbury's Laws of England* 4th Ed. as being that:

- i) the claimant's goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;
- ii) there is a misrepresentation by the defendant (whether or not intentional) which is likely to deceive the public into believing that the defendant's goods or services are those of the claimant; and

iii) the claimant has suffered or is likely to suffer damage as a result of the erroneous belief created by the defendant's misrepresentation.

14. The date of application (6 September 2010) is the relevant date in relation to section 5(4)(a)¹. However, where the applicant has used the mark before the date of the application it is necessary to consider what the position would have been at the date of the start of the behaviour complained about, and then to assess whether the position would have been any different at the later date when the application was made. If the applicant was not passing off when it commenced trading under the sign, a continuation of the same trade under the same sign will not amount to passing off at the relevant date. The applicant could show evidence which could establish that it was the senior user and that the existing position should not be disturbed and so its use would not be liable to be prevented by the law of passing-off².

15. The first hurdle is for Ms Gore to prove that she has goodwill in the sign relied upon in relation to bikes and bike lights (the goods specified in the notice of opposition) in the mind of the purchasing public. The concept of goodwill was explained in *Inland Revenue Commissioners v Muller & Co's Margerine Ltd* [1901] AC 217 at 223:

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first start.”

16. Whether Ms Gore has goodwill in the sign, in relation to the goods, has to be deduced from the evidence she has filed. There is no magic evidential formula by which goodwill is established. In *Reef Trade Mark* [2002] RPC 19, Pumfrey J said:

“There is one major problem in assessing a passing off claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent's reputation extends to the goods comprised in the applicant's specification of goods. The requirements of the objection itself are considerably more stringent than the enquiry under s.11 of the 1938 Act (see *Smith Hayden & Co. Ltd's Application (OVAX) (1946) 63 R.P.C. 97* as qualified by BALI

¹ See the comments of Mr Daniel Alexander QC, sitting as the Appointed Person in *MULTISYS* BL O/410/11. BL-prefixed decisions are available for viewing on the website of the Intellectual Property Office.

² See, for instance: *Croom's Trade Mark Application* [2005] RPC 2 and *Daimlerchrysler AG v Javid Alavi (T/A Merc)* [2001] RPC 42.

Trade Mark [1969] R.P.C. 472). Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.”

and

“Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed to the relevant date. Once raised, the applicant must rebut the prima facie case. Obviously, he does not need to show that passing off will not occur, but he must produce sufficient cogent evidence to satisfy the hearing officer that it is not shown on the balance of probabilities that passing off will occur.”

In *Minimax GmbH & Co KG v Chubb Fire Limited* [2008] EWHC 1960 (Pat), Floyd J, building upon Pumfrey J’s observations, said:

“8 Those observations are obviously intended as helpful guidelines as to the way in which a person relying on section 5(4)(a) can raise a case to be answered of passing off. I do not understand Pumfrey J to be laying down any absolute requirements as to the nature of evidence which needs to be filed in every case. The essential is that the evidence should show, at least prima facie, that the opponent’s reputation extends to the goods comprised in the application in the applicant’s specification of goods. It must also do so as of the relevant date, which is, at least in the first instance, the date of application.”

17. Although briefly stated, Mr Donaghy’s written submissions point to the heart of the matter: Ms Gore needs, in order to demonstrate goodwill, to show trading activity linked to her, to the sign she has pleaded, to the goods she relies upon, at the relevant date. Ms Gore needs to do that by filing evidence. Ms Gore has filed a witness statement and exhibits, but the exhibits do not show actual trading activity, i.e. sales. Ms Gore has filed exhibits which show she has registered a user ID on ebay, and the name of an ebay shop. Registering a user ID and a shop name does not indicate actual trade. Without evidence of actual trade, it is difficult to see how Ms Gore could establish goodwill: goodwill is associated with custom as it is the attractive force which brings in custom. Cogent evidence is all the more important due to the short time periods involved in this case; there were only eight months between Ms Gore’s stated commencement of use of her sign and the date of application. Goodwill can be established in a relatively short period of time, but the proof of that will need careful evidence.

18. Although Ms Gore has asserted in her witness statement that she started using Torchy’s Torches and Bike Lights’ after 9 January 2010 (14 January 2010 in her notice of opposition), and says that she has sold products to UK customers and overseas, gaining a UK wide reputation, there is nothing to back that up in

the exhibits. She has filed prints which show feedback for big_f_d_d; feedback indicates trade, but she has not filed any such feedback activity in relation to herself and/or the sign relied upon. Such feedback activity could have provided some indication that sales had been made and goodwill accrued. In the *Club Sail* case [2010] RPC 32, Mr Geoffrey Hobbs QC, sitting as the appointed person, cited the following words of Lord Bingham of Cornhill in *Fairchild v. Glenhaven Funeral Services Ltd*:

“... I think it is salutary to bear in mind Lord Mansfield’s aphorism in *Blatch v. Archer* (1774) 1 Cowp 63 at 65, 98 ER 969 at 970 quoted with approval by the Supreme Court of Canada in *Snell v. Farrell*:

‘It is certainly a maxim that all evidence is to be weighed according to the proof which it was in the power of one side to have produced, and in the power of the other to have contradicted.’

Presumably, it would have been relatively simple for Ms Gore to have given, e.g. ebay customer feedback evidence, sales figures, a print of ebay listings which had resulted in sales. There are no exhibits showing the sign relied upon in the notice of opposition, or even a plain word version of the sign.

19. Evidence must be in the form of a witness statement (as set out in the Trade Mark Rules 2008, rule 64). I mention this because of Ms Gore’s attachment to the notice of opposition, in which she has annotated eBay listings to show which are hers and which are the applicant’s, although the eBay prints themselves do not show this. This attachment is not evidence because it was not filed in correct evidential format. This point is all the more relevant because Ms Gore relies upon (her) handwritten annotations showing which listing belongs to her business, and there is no other independent indication to corroborate such a fact. However, even if Ms Gore had filed this properly as evidence, it would not help. The print is dated 18 February 2011, and so does not show that Ms Gore had goodwill at the relevant date: 6 September 2010.

20. I have borne in mind that I should view the evidence as a whole, rather than picking fault with individual pieces. However, it is particularly difficult to view evidence in the round, or as a whole, when its entirety is so thin. Even with looking at it in the round, I cannot escape the fact that there is no documentary evidence to support Ms Gore’s bare assertions of use, as opposed to registration of a user ID and eBay shop name. Parties to proceedings must decide what evidence they need to provide in order to make good their case; they cannot expect the Tribunal to infer facts, particular when there is so little (or nothing) upon which to base any inference. Consequently, I am unable to find that Ms Gore has cleared the first hurdle necessary to sustain a claim to passing off, which is the substantiation of goodwill. **The section 5(4)(a) ground of opposition fails.**

The ground of opposition under section 3(6) (“bad faith”)

21. The material date for assessing the ground of bad faith is the date of the filing of the application for registration (6 September 2010). Bad faith cannot be cured by action after the date of registration and, in any event, there is no evidence from the applicant which might cast a light backwards to that date. Ms Gore’s claim is that the application was made in the knowledge that she was using a similar name for similar/identical goods on eBay and was therefore made in bad faith. In order to decide whether the application was made in bad faith, it is necessary to decide what the applicant knew on 6 September 2010 and then to decide whether filing the application fell short of acceptable commercial behaviour³. Bad faith includes dishonesty and “some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular field being examined”⁴. Certain behaviour might have become prevalent but this does not mean that it is acceptable⁵.

22. Bad faith is a serious allegation because it impugns the character of an individual or the collective character of a business⁶, which requires cogent evidence from the party making the accusation (Ms Gore)⁷. I have given above my views on the shortcomings of Ms Gore’s evidence in relation to the requirement upon her to demonstrate goodwill. She has not proven that she was trading, as of 6 September 2010, in the sign relied upon, or any sign which included a ‘Torchy’ element. This has a bearing upon her section 3(6) claim because the premise of her claim is founded upon the allegation that the applicant knew of her mark/sign and the trade carried out in relation to the mark/sign. Without evidence to show that she was using the name Torchy, it cannot be said that the applicant knew of any such trade. In fact, the evidence Ms Gore has filed relates to an entity called big_f_d_d. She has asserted that this user ID was linked to a webpage called torchythebatteryboy.com, but there is no clear evidence of such a link. Ms Gore wrote to big_f_d_d via the eBay messaging facility on 12 August 2010; on 23 August Torchy Ltd was registered as a company name and on 6 September 2010 Torchy Ltd applied to register the trade mark the subject of these proceedings. It might be conjectured that Ms Gore’s letter/message precipitated these filings (although that does not mean that they were not made in bad faith and conjecture cannot be a basis for a finding in law, unlike inference).

23. Even if it was shown that the applicant would have known of Ms Gore’s ‘Torchy’ mark/sign, this fact alone would not necessarily mean that the

³ (1) *Barlow Clowes International Ltd. (in liquidation)* (2) *Nigel James Hamilton and (3) Michael Anthony Jordan v (1) Eurotrust International Limited* (2) *Peter Stephen William Henwood and (3) Andrew George Sebastian* [2005] UKPC 37, at the url <http://www.bailii.org/uk/cases/UKPC/2005/37.html>. Also, *Ajit Weekly Trade Mark* BL O/0363/01.

⁴ *Gromax Plasticulture Limited v Don and Low Nonwovens Ltd* [1999] RPC 367.

⁵ *Harrison v Teton Valley Trading Co* [2005] FSR 10.

⁶ See *Royal Enfield Trade Marks* BL O/363/01.

⁷ *Re H (minors)* [1996] AC 563.

application was made in bad faith, particularly in view of the short time scales involved; at one point in her witness statement, Ms Gore refers to the applicant's selection of its name only six months after she began trading "under the same name" on eBay. Even where an applicant knows of long use (which is not the case claimed here), there may be no bad faith involved, it depends on more than that single fact: see the Court of Justice in the European Union's judgment in *Chocoladefabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH* Case C-529/07. In *Hotel Cipriani SRL and others v Cipriani (Grosvenor Street) Limited and others* [2008] EWHC 3032(Ch) Arnold J held:

"189. In my judgment it follows from the foregoing considerations 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 Article 107 can hardly be said to be abusing the Community trade mark system."

24. It could be that it was a coincidence of timing, only a few months apart, that both parties came up with a 'Torchy' name for torches and that Ms Gore's approach on 12 August 2010 caused the applicant to put on a formal footing what had hitherto been informal. However, there is no need to speculate. It is a circular situation: there is no *prima facie* case of bad faith because Ms Gore has shown no evidence of her own use of a Torchy mark or sign; because Ms Gore has not shown any evidence of her own 'Torchy' trade, it is not possible to say what the applicant knew; it does not have to show what it knew and why it applied for the mark because Ms Gore has not discharged the burden upon her of filing evidence to support her claim that the applicant had knowledge of her mark. **The section 3(6) ground of opposition fails.**

Outcome

25. The opposition has failed in its entirety. The application is to be registered.

Costs

26. The applicant has been successful and is entitled to a contribution towards the cost of the time it has spent on these proceedings. The Registrar usually operates on a published scale of costs⁸. However, since the applicant has not been professionally represented during the proceedings, an award made from the published scale might be larger than its actual expenditure. In BL O/160/08 *South Beck*, Mr Richard Arnold QC, sitting as the appointed person, stated:

“32. Secondly, counsel for the opponent submitted that, if CPR r. 48.6 was applicable, the hearing officer had misapplied it. In support of this submission he pointed out that CPR r. 48.6(4) provides:

The amount of costs to be allowed to the litigant in person for any item of work claimed shall be-

(a) where the litigant can prove financial loss, the amount that he can prove he has lost for time reasonably spent on doing the work; or

(b) where the litigant cannot prove financial loss, an amount for the time reasonably spent on doing the work at the rate set out in the practice direction.

The Part 48 Practice Direction provides at paragraph 52.4 that the amount which may be allowed to a litigant in person under rule 46.8(4) is £9.25 per hour. Counsel submitted that the hearing officer appeared to have awarded the applicant two-thirds of the scale figure which he would have awarded a represented party, and that this could not be justified since the opponent had not proved any financial loss and was very unlikely to have spent over 160 hours on the matter.....

36. In my judgment the approach which should be adopted when the Registrar is asked to make an award of costs in favour of a litigant in person is as follows. The hearing officer should direct the litigant in person pursuant to r. 57 of the 2000 Rules to file a brief schedule or statement setting out (i) any disbursements which the litigant claimed he has incurred, (ii) any other financial losses claimed by the litigant and (iii) a statement of the time spent by the litigant in dealing with the proceedings. The hearing officer should then make an assessment of the costs to be awarded applying by analogy the principles applicable under r. 48.6, but with a fairly broad brush. The objective should be to ensure that litigants in person are neither disadvantaged nor overcompensated by comparison with professionally represented litigants.”

⁸ Tribunal Practice Notice 4/2007.

Under the current practice direction, the amount allowed to a litigant in person is £18 per hour.

27. Consequently, the applicant should produce an estimate of its costs, including the number of hours that it has spent on these proceedings, broken down by category of activity, i.e. reviewing the notice of opposition and completing the counterstatement, and reviewing Ms Gore's evidence and filing the very short written submissions letter. This should be filed within 21 days of the date of this decision and should be copied to Ms Gore who will have 10 days from receipt of the estimate to provide written submissions. I will then issue a supplementary decision covering the costs of these proceedings.

28. The period for any appeal against this decision will run concurrently with the appeal period for the supplementary decision on costs and so will not commence until the supplementary decision is issued.

Dated this 16th day of April 2012

**Judi Pike
For the Registrar,
the Comptroller-General**