

O-310-11

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO 2436624**

**BY**

**MARGARET MCCABE**

**TO REGISTER THE TRADE MARK:**



**IN CLASSES 35 AND 38**

**AND**

**THE OPPOSITION THERETO**

**UNDER NO 97387**

**BY**

**LOIS ACTON**

## Trade Marks Act 1994

**In the matter of application no2436624  
by Margaret McCabe  
to register the trade mark:**



**in classes 35 and 38  
and the opposition thereto  
under no 97387  
by Lois Acton**

1) On 25 October 2006 Margaret McCabe filed an application to register the above trade mark (the trade mark). The trade mark was published in the *Trade Marks Journal*, for opposition purposes, on 14 March 2008 with the following specification:

*charitable services, namely organising and conducting volunteer programmes and community service projects; advisory services relating to charitable services;*

*digital broadcasting/transmission; broadcasting (cable television-); broadcasting (radio-); broadcasting (television-); broadcasting of cable television programmes; broadcasting of programmes by radio; broadcasting of programmes by satellite; broadcasting of programmes by television; cable television broadcasting; information services relating to broadcasting; music broadcasting; television broadcasting.*

The above services are in classes 35 and 38 respectively of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended.

2) On 16 June 2008 Lois Acton filed a notice of opposition to the registration of the trade mark.

3) Ms Acton states that registration of the trade mark would be contrary to section 3(6) of the Trade Marks Act 1994 (the Act). She states that Ms McCabe is aware that the name is used to promote the work and services of Urban Unlimited “since its inception in October 2002 and subsequent commission in August 2003 of a logo, the creation of design of the logo and paying of the logo design and art work using funds from the Arts Council. The sole ownership of the Urban

Unlimited concept, brand original name and logo was transferred on 28<sup>th</sup> November 2005 to Lois Acton as one of the original co-founders". Ms Acton states that Urban Unlimited (UU) and Urban Limited Collective (UUC) are "the original concepts of 1. Wozzy Brewster OBE – Executive Producer, on behalf of The Midi Music Company. 2. Lois Acton – Executive Producer and 3. Lis Moon – Directory of Events and was created on 28<sup>th</sup> October 2002. In fact, it has been running through 2002 launching in August 2002 with the Pilot Project, Summer in the City – Urban Peace organised by Lois Acton, Wozzy Brewster and Lis Moon. Funded with the full backing of the then Minister of the DCMS Tessa Jowell, via the DCMS, Youth Justice Board and reporting back to the Arts Council. the project was also broadcast on Carlton TVATV. Following the success of the Summer scheme and meetings of the participants and organisers Lois Acton, Wozzy Brewster and Lis Moon met formally on October 28<sup>th</sup> 2002 and created the original concepts Urban Unlimited and the Urban Unlimited Collective".

4) Ms Acton states that registration of the trade mark would be contrary to sections 5(1) and 5(2)(a) of the Act. She relies upon United Kingdom trade mark registration no 2431559 of the trade mark:



The application for registration of the above trade mark was made on 2 September 2006 and the registration process was completed on 2 March 2007. It is registered for:

*the provision of training and educational services to young people and others to improve life skills and to promote occupational opportunity through exposure to the arts and media utilising events, and broadcasts to promote the services offered and generally, to promote cultural activity.*

The above services are in class 41 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended.

5) Ms Acton states that registration of the trade mark would be contrary to section 5(4)(b) of the Act. No further details are given as to the basis of the opposition under section 5(4)(b) of the Act, although under the grounds of section 3(6) of the Act Ms Acton refers to ownership of the logo.

6) Ms Acton states that:

“Urban Unlimited was established to deliver relevant events and programmes that profiled youth and cultural activities, creating a diversion from crime and drug abuse, using music, arts, spoken word, sport, comedy, events, fashion and other performing arts and the creative industries.”

Ms Acton states that in conjunction with The Midi Music Company it was decided on 7 January 2003 that a temporary legal entity was required to manage UU and UUC, agreeing a structure and programme of work. The Midi Music Company Events Ltd (Midi) was registered on 3 February 2003. All three founding members were in full time employment from the inception of the project and worked in a voluntary capacity. In May 2005 Ms Acton left her paid job as a producer/director at ITV to concentrate on the development of UU. Ms Acton states that the trade mark is used by her in all correspondence and at functions, meetings, in broadcasts, in films and at all events. She states that Urban Unlimited is referred to at all times as the name of the project.

7) Ms Acton states that she continues to run Urban Unlimited projects.

8) Ms McCabe filed a counterstatement. She states that the Urban Unlimited name was coined by Midi in 2003 to promote a voluntary group established to address gun crime in the black community. She states that the logo was first used in November 2003 at an event organised by Midi to promote the Urban Unlimited Self Help Group. Ms McCabe states that in February 2004 she and Ms Acton began to work for the Urban Unlimited Self Help Group. At a date that Ms McCabe does not give, she states that Midi decided that it had no further interest in the Urban Unlimited Self Help Group, the Urban Unlimited name or the Urban Unlimited logo and Midi agreed that the name, the logo and the associated goodwill would be transferred to Ms McCabe and Ms Acton to develop a social enterprise operating under and by reference to Urban Unlimited. She states that the social enterprise was to comprise a business and a charity, with the profits being used to fund the core costs of the charity, the Urban Unlimited Social Enterprise. Ms McCabe states that at that time she invested substantial resources into the Urban Unlimited Social Enterprise. She states that Ms Acton was not in a position to provide any funding or investment. Ms McCabe states that to reflect the high level of investment made by her and that Ms Acton had not invested a single penny, it was agreed that Ms McCabe would own all of the assets of the Urban Unlimited Social Enterprise business, including the goodwill, the name and the logo, unless Ms Acton repaid the sum of £10,000, at which point she would grant Ms Acton a 40% share of Urban Unlimited Social Enterprise business.

9) Ms McCabe states that no money was paid by Ms Acton, despite legal demands.

10) Ms McCabe states that she continued to invest in and develop the Urban Unlimited Social Enterprise. She states that she funded the registration and development of a website with the domain name urbanunlimited.org in April 2005. She incorporated a registered charity, Urbanunltd Limited (charity no 1121222). Ms McCabe states that she paid for all legal and business expenses.

11) Ms McCabe states that Ms Acton continued to be involved with the Urban Unlimited Social Enterprise and subsequently the Urban Unlimited Charity until July 2006, under the direction of Ms McCabe. Ms McCabe states that she paid the travel and living expenses of Ms Acton. Ms McCabe states that in July 2006 Ms Acton was dismissed for gross incompetence; having failed to attend crucial meetings with John Studzinski, a major investor in the Urban Unlimited Social Enterprise and the Urban Unlimited Charity. Ms McCabe states that the Urban Unlimited Social Enterprise and the Urban Unlimited Charity have made extensive use of the Urban Unlimited logo under licence from her. Ms McCabe states that as of July 2006 the Urban Unlimited name and logo had "attracted a considerable goodwill and reputation". She states that the goodwill is owned by her. Ms McCabe states that shortly after her dismissal Ms Acton applied to register the trade mark the subject of registration no 2431559. Ms Acton denies the grounds of opposition.

12) Only Ms Acton filed evidence.

13) A hearing was held on 18 August 2011. Ms Acton appeared for herself. Ms McCabe did not appear, neither did she furnish any written submission.

### ***Evidence for Ms Acton***

14) This evidence consists of two documents that are described as witness statements. One from Ms Wozzy Brewster OBE and one from Ms Acton. Neither of these statements includes a statement of truth. A statement of truth should state, as per Practice Direction 32 of the Civil Procedure Rules:

"I believe that the facts stated in this witness statement are true."

Also included in the evidence, at exhibit 6, are two letters that are headed "without prejudice, save as to costs". Having seen the heading I have not read the contents. It is possible that, despite the headings, the letters are not without prejudice, however, in order to ascertain this I would need to read them which could leave me to having to recuse myself; if the contents are without prejudice.

15) The nature of the evidence has given rise to a highly unsatisfactory situation. Ms Acton should have been advised when the evidence was filed that it needed amendment. The without prejudice letters were clearly marked as such and should have been dealt with when they were filed. At the hearing I advised that I would treat the evidence as being hearsay and giving it what weight I considered

appropriate. I also stated that I would not read the without prejudice correspondence and so no cognisance is taken of it. Ms Acton accepted this position. She made no submissions in relation to the without prejudice letters. This is not the most satisfactory of solutions but it is preferable to delaying the proceedings by requiring the evidence to be filed again. Ms Acton's evidence has been supported by exhibits. Ms McCabe has filed no evidence to contradict the evidence. Consequently, I consider that the evidence can be accepted at face value. In the event of an appeal, Ms Acton may wish to consider seeking the permission of the appellate body to regularise the evidence.

16) Ms Brewster's evidence consists of a letter addressed to the case work examiner. Ms Brewster writes that UU and UUC are the original concepts of herself, as executive producer on behalf of The Midi Music Company/MMC Events Ltd, Ms Acton as executive producer and Lis Moon as directory of events. She writes that they were created on 28 October 2002.

17) Ms Brewster writes that UU "was established to deliver relevant events and programmes that profiled youth and cultural activities, creating a diversion from crime and drug abuse, using music, arts, spoken word, sport, comedy, events, fashion and other performing arts and the creative industries." (The same wording as in the statement of grounds.) She writes that UUC was established to create a consortium of individuals and organisations working with and/or run by young people in order to deliver partnership projects, develop networks within the cultural industries, provide intelligence, liaise with government departments and address issues faced by young people in London. The Midi Music Company decided on 7 January 2003 that a legal entity was required to manage UU and UUC, agreeing a structure and programme of work. The Midi Music Company Events Ltd (Midi) was registered on 3 February 2003 to provide the infrastructure required for fund raising and for management purposes. Ms Brewster writes that the co-founders met with Michael Groce and Guy Marshall on 6 August 2003 to discuss the logo concept and the requirements for creating a brand. She writes that the initial concepts, design and final digital artwork were paid for by Midi, originally on 7 November 2003, with a cheque re-issued on 28 November 2005 "with funding from the Arts Council England". Ms Brewster writes that Midi applied to the Arts Council England for funding towards its first official event under Urban Unlimited, The Word, which took place at the Albany Theatre in Deptford on 14 and 15 December 2003. Ms Brewster writes that the board of directors agreed to transfer the sole ownership of UU/UUC to Ms Acton on 28 November 2003. She writes that no other parties were involved in "the transfer of the original concept and brand".

18) Ms Acton writes that UU and UUC are the original concepts of Ms Brewster, Ms Moon and herself. She writes that the "summer of 2002 saw the successful Summer in the City Urban peace celebration successfully completed by the above team with a grant of £70,000 from the DCMS via the Youth Justice Board with monitoring returned to the Arts Council. Summer in The City was also

broadcast by ITV London.” Exhibited at exhibit 2 is what appears to be a press release. It is headed “URBAN PEACE SUMMER IN THE CITY 2002”. There is no reference to UU or UUC on the press release. The following appears:

“The Urban Peace Summer in the City initiative has been developed by the Midi Music Company (Wozzy Brewster OBE), and Carlton Television (Lois Acton).”

19) Exhibited at exhibit 1 A is a copy of the minutes of the inaugural board meeting of Midi. The officers of the company are listed as Mr G Williams, Mr G Howells and Mr D Fitzpatrick. The meeting agreed to appoint Carolyn Cox as a director. The following appears:

“It was noted that Urban Unlimited Collective was an unincorporated collective in which the Company was a participant, the other participants being drawn from various bodies working with young people on various levels, such as NACRO, WAC, the Black Police Association and Haringey Peace Alliance. It would operate as a continuing enterprise of The Midi Music Company Events Limited. It was intended that the collective should have two sections, namely one concern with business and policy, and one with networking and information. The Strategic Group has around 10 members who have a more national influence and meet before the rest of the collective. The collective meets around every 2 months, to discuss issues and projects that concern youth, crime and social issues, funding opportunities and to network amongst each other.

It was agreed that business headed paper should be designed and produced for MMC Events, and will have headed paper based on the design of MMC’s letterhead. Urban Unlimited will not have its own headed paper, as the Company Secretary said that any letter implying an agreement or undertaking to make payment should be expressed in the name of the Company and not the Urban Unlimited, otherwise there was a danger that liability might rest with the person signing the letter. Urban Unlimited will be the public brand that will be on publicity, but it will be run under the MMC Events banner. There will be events that MMC Events Ltd runs outside the Urban Unlimited name.”

20) Ms Acton writes that Ms Moon, Ms Brewster and herself met with Michael Groce and Guy Marshall of Small Studio on 6 August 2003 to discuss the logo for UU and UUC and “concept and requirements”. She writes that the original design and logo for Urban Unlimited, as per her trade mark registration, were paid for with a grant from the Arts Council “on the basis of the preceding work Summer In The City – Urban Peace”. Exhibited at 1 B is an invoice from Smallstudio for £500 for design and art direction for UUC identity. The cheque is to be payable to Guy Marshall. Exhibited at 1 C are proofs for flyers for The Word event held at the Albany on 14 and 15 November 2003. It is described as

a spoken word event. The top proof shows the Urban Unlimited logo, the bottom proof refers to "Urban Unlimited working towards urban peace through creative grassroots initiatives Urban Unlimited is a continuing enterprise of MMC Events Ltd". Handwritten annotations appear upon the proofs, indicating that they were to be amended, so it is not shown what appeared upon the actual flyers. At exhibit 1 C is a contact sheet for The Word. Under the heading Urban Unlimited the names of Ms Brewster, Ms Acton, Ms Moon and Nonie James (the last only with a mobile telephone number) appear. An e-mail, dated 4 September 2003, from Smallstudio to Ms Moon is exhibited at 1 D, it is headed "Urban Unlimited identity". The e-mail indicates that files are attached. The e-mail relates to the creation of "an identity". Ms Acton writes that she has used the UU logo constantly from its date of creation until the present time.

21) Ms Acton writes that Ms McCabe was not a part or a member of Urban Unlimited in February 2004. She refers to the Urban Unlimited Collective minutes of 5 May 2004 which form exhibit 3. Three persons are identified as attending from Urban Unlimited: Ms Moon, Ms Brewster and Ms Acton; the last is described as the chair. (These three are also identified as being strategic group members, along with 4 others). Ms Moon, Ms Brewster and Ms Acton are also identified as being from COI Communications, The Midi Music Company and Carlton TV respectively. The other attendees are generally identified with various organisations. A section of the minutes is headed UU Structure and Core Funding:

"UU and the Collective's profile is increasing, and the branding is beginning to be recognised by people outside the membership. It is important that all organisations who are in the Collective bring with them high standards in their work practices. The Aims & Objectives of the Collective are being reworded so that they are relevant to all the members, and give a fair indication of what the collective stands for. They will be forwarded to the Strategic Group for comment. The criteria for membership is also being assessed, and will be based around all members working with young people on positive initiatives that endorse urban peace

There is still no money available to employ an administrator and events manager. MMC is still covering administrative costs and personnel. There is interest from groups outside London who would like to set up similar collectives, and there has been interest from various members of the press, but before UU/UUC can expand and work on a larger level there needs to be a more solid foundation to build upon. Lois and Lis will attend the next MMC Events Board Meeting at the end of June to discuss UU eventually becoming its own company."

22) Ms Acton writes that she was awarded principal holder of a UK UnLtd Award Level 2 for the Urban Unlimited project and subsequently sole holder of the

award. Included in exhibit 4 is a copy of a letter from Urban Unlimited, bearing the trade mark, accepting a proposal that UnLtd withdraw the joint award from Ms Acton and Ms McCabe and issued a new award contract to Ms Acton for the balance of the award, £10,000. The letter is signed by Ms Acton and Ms McCabe. The exhibit also includes terms and conditions of UnLtd Millennium Awards, which Ms Acton signed and dated on 17 July 2006. The applicant is identified as Ms Acton, the project as Urban Unlimited and the award value of £10,000. The terms and conditions include a condition that states that the award is made to Ms Acton personally and that it can only be used by her and cannot be transferred to any other person. Ms Acton writes that as a Level 2 Award holder she was invited as a guest participant to visit India in December 2007 as part of a group from the United Kingdom and United States of America to learn from social enterprise in India as an award holder with UnLtd India.

23) Ms Acton writes that claim no 7LB01825 for £5,000 by Ms McCabe was dismissed at Lambeth County Court on 14 February 2008. She writes that she was asked by District Judge Zimmels if she would like costs and damages but declined the offer. Exhibit 5 consists of the order and the claim form. The claim is shown to be dismissed, with no order for costs. In the particulars of claim Ms McCabe describes herself as a co-founder of Urban Unlimited; a claim that is contradicted by the evidence of Ms Acton in this case.

24) Ms Acton denies that Ms McCabe is either the founder or chair of Urban Unlimited. She denies that Ms McCabe was in any position to dismiss her from Urban Unlimited and the Urban Unlimited Collective.

25) Ms Acton writes that the logo has been in continued use by her, UU and UUC (now the UUNetwork Ltd). The domain name urbanunlimited.com has been purchased. She writes that the website is being built by young people. Ms Acton writes that trading has been adversely affected by a lack of website and the continued use of the name, goodwill and reputation of the “real UU and UUNetwork organisation” by Ms McCabe.

26) At exhibit 7 is a booklet entitled “Sharing Memories Five Generations of residents share their stories of Stanwell”. Thanks and credits are given to Ms Acton and Urban Unlimited for a documentary DVD of the project. The Urban Unlimited logo appears and the purpose of the organisation is given. The booklet includes a reference to a mural painted in July 2009. Exhibit 7 consists of a DVD that contains recordings made by Urban Unlimited of 3 projects: St Mary’s trip to Jamaica, Signal’s Project – Graffiti Mural in Stanwell and Young Minds – Corey Taylor from Slipknot.

27) Ms Acton writes that Ms McCabe has stated that she is no longer trading as Urban Unlimited nor using the logo.

28) Ms Acton includes an appendix in relation to the use of the UU brand and logo. The use included:

UU/Peace on the Streets Festival (2004).

UU/Brixton Splash (2005) – an annual culture and arts event.

UU/Glastonbury to Slovenia (2006) – concept of a philanthropic festival culture.

UU/Songs of Freedom (2007) – a multimedia music and documentary project made by young people from St Mary’s following a visit to Jamaica looking at the roots of slavery.

UU/Help the Aged/Precycle Film Project (2008) – acted and filmed with young people.

UU/Havering Council/Community Groups (2008) – young people and older generation performance and the environment.

UU/Uproar/NHS/ACLT (2008 – 2009) – films for blood and organ donation in the black community, made by and with young and older people.

UU/Signal/A2 Dominion Housing Association (2008-2010) – community cohesion and intergenerational 1 project involving street art, documentary film making, mobile phone technology, photography and publishing.

UU/Cooltan Arts and The Story Of London Project (2010).

### **Section 5(4)(b) of the Act**

29) Section 5(4)(b) of the Act states:

“(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-

.....

(b) by virtue of an earlier right other than those referred to in subsections (1) to (3) or paragraph (a) above, in particular by virtue of the law of copyright, design right or registered designs.

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.”

30) Under the Trade Marks (Relative Grounds) Order 2007 only the proprietor of a right may oppose the registration of a trade mark. The first owner of a copyright work is its author unless (in the case of a literary, dramatic, musical or artistic work, or a film) the work is created by an employee in the course of employment (in which case the employer is the first owner of any copyright in the work). The logo is the work upon which Ms Acton relies. Her evidence shows that it was created by Smallstudio. There is nothing to indicate that the copyright in the work was assigned to her by Smallstudio (or to Midi and then to her by Midi); under section 90(3) of the Copyright, Designs and Patents Act 1988 an assignment is not effective unless it is in writing and is signed by or on behalf of

the author. In the absence of evidence of ownership of the copyright the ground of opposition under section 5(4)(b) of the Act must be dismissed.

### **Sections 5(1) and 5(2)(a) of the Act**

31) Sections 5(1) and 5(2)(a) of the Act state:

5. - (1) A trade mark shall not be registered if it is identical with an earlier trade mark and the goods or services for which the trade mark is applied for are identical with the goods or services for which the earlier trade mark is protected.

(2) A trade mark shall not be registered if because –

(a) it is identical with an earlier trade mark and is to be registered for goods or services similar to those for which the earlier trade mark is protected, or.....

.....there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.”

32) In *LTJ Diffusion SA v Sadas Vertbaudet SA* Case C-291/00 the Court of Justice of the European Union (CJEU)<sup>i</sup> stated :

“54 In those circumstances, the answer to the question referred must be that Art.5(1)(a) of the directive must be interpreted as meaning that a sign is identical with the trade mark where it reproduces, without any modification or addition, all the elements constituting the trade mark or where, viewed as a whole, it contains differences so insignificant that they may go unnoticed by an average consumer.”

The differences between the two trade marks are so insignificant that the differences will go unnoticed by the average consumer.

33) It is clear from the wording of the specifications that the respective services are not identical. **Consequently, the ground of opposition under section 5(1) of the Act is dismissed.**

### ***Comparison of services***

34) In “construing a word used in a trade mark specification, one is concerned with how the product is, as a practical matter, regarded for the purposes of trade<sup>ii</sup>”. Words should be given their natural meaning within the context in which they are used, they cannot be given an unnaturally narrow meaning<sup>iii</sup>. Consideration should be given as to how the average consumer would view the

services<sup>iv</sup>. The class of the services in which they are placed may be relevant in determining the nature of the services<sup>v</sup>. In assessing the similarity of services it is necessary to take into account, inter alia, their nature, their intended purpose, their method of use and whether they are in competition with each other or are complementary<sup>vi</sup>. In *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T- 325/06 the General Court (GC) explained when goods were complementary:

“82 It is true that goods are complementary if there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking (see, to that effect, Case T-169/03 *Sergio Rossi v OHIM – Sissi Rossi (SISSI ROSSI)* [2005] ECR II-685, paragraph 60, upheld on appeal in Case C-214/05 P *Rossi v OHIM* [2006] ECR I-7057; Case T-364/05 *Saint-Gobain Pam v OHIM – Propamsa (PAM PLUVIAL)* [2007] ECR II-757, paragraph 94; and Case T-443/05 *El Corte Inglés v OHIM – Bolaños Sabri (PiraNAM diseño original Juan Bolaños)* [2007] ECR I-0000, paragraph 48).”

In *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281, Jacob J also gave guidance as to how similarity should be assessed<sup>vii</sup>. Jacob J in *Avnet Incorporated v Isoact Ltd* [1998] FSR 16 stated:

“In my view, specifications for services should be scrutinised carefully and they should not be given a wide construction covering a vast range of activities. They should be confined to the substance, as it were, the core of the possible meanings attributable to the rather general phrase.”

35) The comparison of the services must be made on the basis of the specifications of the respective trade marks; it cannot take into account matters outwith the specifications.

36) The services of the application are:

*charitable services, namely organising and conducting volunteer programmes and community service projects; advisory services relating to charitable services;*

*digital broadcasting/transmission; broadcasting (cable television-); broadcasting (radio-); broadcasting (television-); broadcasting of cable television programmes; broadcasting of programmes by radio; broadcasting of programmes by satellite; broadcasting of programmes by television; cable television broadcasting; information services relating to broadcasting; music broadcasting; television broadcasting.*

The services of the earlier right are:

*the provision of training and educational services to young people and others to improve life skills and to promote occupational opportunity through exposure to the arts and media utilising events, and broadcasts to promote the services offered and generally, to promote cultural activity.*

37) The end users of the class 35 services of the application and the services of the earlier registration will be persons supplying or wishing to supply services to the community (ie persons actually doing the work) and the users of the services will be persons running community projects. Consequently, the respective services have the same end users and users. The respective services are voluntary services for the improvement of the community. Consequently, they have the same nature and intended purpose. It cannot be seen that the respective services are, per se, indispensable or important for the use of the other. Consequently, the respective services are not complementary. The respective services are not fungible; they are not considered to be in competition.

38) Overall the class 35 services of the application and the services of the earlier registration are similar to a reasonable degree.

39) The nature of the class 38 services is that they are broadcast services in that they relate to the sending of radio, television signals and the like. They are not services that relate to the production of television, radio programmes or the like or the content of the programmes (such services are in class 41). It is not considered that the class 38 services of the application and the services of the earlier registration coincide in any meaningful way within the parameters of the case law. Consequently, the respective services are not similar.

## **Conclusion**

40) Likelihood of confusion can only occur where the services are similar. Consequently, likelihood of confusion can only occur in relation to the class 35 services of the application.

41) In considering whether there is a likelihood of confusion various factors have to be taken into account. There is the interdependency principle – a lesser degree of similarity between trade marks may be offset by a greater degree of similarity between services, and vice versa<sup>viii</sup>. In this case the respective trade marks are identical. This means that, however careful and educated the purchasing decision or the decision to use the services, there is nothing with which the average consumer of the services can distinguish the trade marks. It is necessary to consider the distinctive character of the earlier trade mark; the more distinctive the earlier trade mark the greater the likelihood of confusion<sup>ix</sup>. The distinctive character of a trade mark can be appraised only, first, by reference to the services in respect of which registration is sought and, secondly, by reference to the way it is perceived by the relevant public<sup>x</sup>. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive,

it is necessary to make an overall assessment of the greater or lesser capacity of the mark to identify the services for which it has been registered as coming from a particular undertaking, and thus to distinguish those services from those of other undertakings<sup>xi</sup>. In this case the earlier trade mark does not describe a characteristic of the services and includes a device element, if one that is swamped by the word element. It is a trade mark with a reasonable degree of distinctiveness. Taking into account the identity of the trade marks and the similarity of the class 35 services, there is a likelihood of confusion in relation to these services.

**42) The application is to be refused in respect of the class 35 services under section 5(2)(a) of the Act.**

**Section 3(6) of the Act – bad faith**

43) Section 3(6) of the Act which states:

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

The material date for bad faith is the date of the filing of the application for registration<sup>xii</sup>; in this case 25 October 2006. Bad faith cannot be cured by some action after the date of the application<sup>xiii</sup>. Consequently, the issue of bad faith must be considered solely at the date of application, although action after the date of application may cast light upon the application.

42) 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<sup>xiv</sup>”. Certain behaviour might have become prevalent but this does not mean that it can be deemed to be acceptable<sup>xv</sup>. It is necessary to apply what is referred to as the “combined test”. It is necessary to decide what Ms McCabe knew at the time of making the application and then, in the light of that knowledge, whether her behaviour fell short of acceptable commercial behaviour<sup>xvi</sup>. Bad faith impugns the character of an individual or collective character of a business, as such it is a serious allegation<sup>xvii</sup>. The more serious the allegation the more cogent must be the evidence to support it<sup>xviii</sup>. However, the matter still has to be decided upon the balance of probabilities.

43) Ms McCabe has filed no evidence and so the issue can only be judged on the evidence furnished by Ms Acton. In her counterstatement Ms McCabe states that Ms Acton was dismissed in July 2006, a claim denied by Ms Acton. However, on 17 July 2006 Ms Acton agreed the conditions for a payment from UnLtd to her for Urban Unlimited; a payment which, under the terms and conditions, can only be made to her and used by her. Ms McCabe claims in her counterstatement that Midi transferred the name, the logo and the associated

goodwill to Ms McCabe and Ms Acton. A claim flatly contradicted by one of the founders, Ms Brewster. Ms McCabe claims that she was owed to £10,000 by Ms Acton, she refers to it as needing to be “repaid”; implying she had paid this money to Ms Acton. There is no explanation of this in the counterstatement. However, the documentation for a claim of £5,000 and its rejection in court is adduced by Ms Acton. From the particulars of claim for the action at Lambeth County Court it appears that Ms McCabe was claiming that half of the £10,000 should have been paid to her; which would have been contrary to the conditions of the award to Ms Acton.

44) At the date of the filing of the application Ms McCabe would have been aware that Ms Acton was continuing to use the logo for projects. She would have been aware that Ms Acton had recently been made an award in respect of these projects. She would have known that she did not have any ownership of the copyright of the logo, either in law or equity. The application appears to have been designed to appropriate the reputation, name and logo used in relation to the project. This applies to the whole specification of the application.

45) In *Canaries Seaschool Slu v John Williams and Barbara Williams* Mr Geoffrey Hobbs QC, sitting as the appointed person, stated:

“51. It seems to have been a matter of administrative convenience that the opposed application for registration was filed in the name of Andrew Williams’ partner, Janet Wills, before being assigned to the Applicant. No argument to the contrary has been raised on its behalf. On the basis of the evidence on file, the knowledge, intentions and motives of Andrew Williams can properly be attributed to the Applicant. They are amply sufficient to invalidate the opposed application in accordance with the principle of prohibition of abuse of law as reflected in the objection to registration on the ground of bad faith provided by Section 3(6) of the 1994 Act. The behaviour of Andrew Williams hence the behaviour of the Applicant towards the Opponents in connection with the filing of the opposed application for registration was, on the view I take of the evidence, tainted by a desire to deprive them of their entitlement to the goodwill appertaining to the verbal and non-verbal elements of the signs in issue. That appears to me to be unacceptable on any view of what can constitute applying for registration in bad faith.”

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.”

In *Chocoladefabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH* Case C-529/07 the CJEU considered the concept of bad faith.

“40 However, the fact that the applicant knows or must know that a third party has long been using, in at least one Member State, an identical or similar sign for an identical or similar product capable of being confused with the sign for which registration is sought is not sufficient, in itself, to permit the conclusion that the applicant was acting in bad faith.....

46 Equally, the fact a third party has long used a sign for an identical or similar product capable of being confused with the mark applied for and that that sign enjoys some degree of legal protection is one of the factors relevant to the determination of whether the applicant was acting in bad faith.

47 In such a case, the applicant’s sole aim in taking advantage of the rights conferred by the Community trade mark might be to compete unfairly with a competitor who is using a sign which, because of characteristics of its own, has by that time obtained some degree of legal protection.

48 That said, it cannot however be excluded that even in such circumstances, and in particular when several producers were using, on the market, identical or similar signs for identical or similar products capable of being confused with the sign for which registration is sought, the applicant’s registration of the sign may be in pursuit of a legitimate objective.

49 That may in particular be the case, as stated by the Advocate General in point 67 of her Opinion, where the applicant knows, when filing the

application for registration, that a third party, who is a newcomer in the market, is trying to take advantage of that sign by copying its presentation, and the applicant seeks to register the sign with a view to preventing use of that presentation.

50 Moreover, as the Advocate General states in point 66 of her Opinion, the nature of the mark applied for may also be relevant to determining whether the applicant is acting in bad faith. In a case where the sign for which registration is sought consists of the entire shape and presentation of a product, the fact that the applicant is acting in bad faith might more readily be established where the competitors' freedom to choose the shape of a product and its presentation is restricted by technical or commercial factors, so that the trade mark proprietor is able to prevent his competitors not merely from using an identical or similar sign, but also from marketing comparable products.

51 Furthermore, in order to determine whether the applicant is acting in bad faith, consideration may be given to the extent of the reputation enjoyed by a sign at the time when the application for its registration as a Community trade mark is filed.”

46) As per the judgments above, the filing of an application does not constitute bad faith merely because one party knows that third parties are using the same trade mark. In this case, however, the evidence supports the conclusion that the application by Ms McCabe was tainted by a desire to deprive Ms Acton of her entitlement to the goodwill appertaining to the trade mark in issue. Consequently, the application was made in bad faith.

#### **47) The application is refused in its entirety under section 3(6) of the Act.**

#### **Costs**

48) Ms Acton having been successful is entitled to a contribution towards her costs. Ms Acton is a litigant in person. In BL O/160/08 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.”

49) At the hearing Ms Acton was advised that she might wish to send a breakdown of the costs that she had incurred in these proceedings, together with the number of hours that she had devoted to them. In the event that she was successful this would expedite the proceedings. (If this information was not given, it would be necessary to issue a provisional decision requiring a breakdown of the costs and then issue a supplementary decision re the costs.)

50) On 25 August 2011 a breakdown of Ms Acton’s costs/expenses was received. Ms Acton writes that the cost of postage of documentation to the Intellectual Property Office and Ms McCabe amounted to approximately £35. She estimates that the assembling of the witness statement, DVD, associated materials and telephone calls amounted to approximately £15. Ms Acton writes that research into IP law, seeking guidance, preparation and writing of evidence, forms and checking and re-writing amounted to approximately 5 days at 8 hours per day ie 40 hours. The time taken to travel to and attend the hearing amounted to 3 hours. Ms Acton refers to the payment of £100 for an extension of time.

51) An extension of time is the result of not fulfilling an action in the time set, this is a failing by one party and the other party cannot be expected to pay compensation towards it. Taking into account the nature of the evidence furnished by Ms Acton and the nature of the statement of grounds, it is

considered that compensation for 20 hours is appropriate. The other claims are considered reasonable. Costs are awarded to Ms Acton upon the following basis:

|   |                 |
|---|-----------------|
| Opposition fee:                                   | £200            |
| Preparation of statement of grounds and evidence: | £185            |
| Attendance at hearing:                            | £27.75          |
| Sundry costs:                                     | £50 (£15 + £35) |
| Total:  | £462.75         |

**52) Ms McCabe is ordered to pay Ms Acton the sum of £462.75. This sum is 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 05 day of September 2011**

**David Landau  
For the Registrar  
the Comptroller-General**

<sup>i</sup> All judgments of the Court of Justice of the European Union and the General Court can be found at the url:

<http://curia.europa.eu/jurisp/cgi-bin/form.pl?lang=en>

Cases beginning with BL can be found on the website of the Intellectual Property Office at the url:

<http://www.ipo.gov.uk/types/tm/t-os/t-find/t-challenge-decision-results.htm>

<sup>ii</sup> *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281.

<sup>iii</sup> *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another* [2000] FSR 267.

<sup>iv</sup> *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2003] RPC 32 dealt with a non-use issue but are still pertinent to the consideration of the meaning and effect of specifications:

“In my view that task should be carried out so as to limit the specification so that it reflects the circumstances of the particular trade and the way that the public would perceive the use. The court, when deciding whether there is confusion under section 10(2), adopts the attitude of the average reasonably informed consumer of the products. If the test of

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infringement is to be applied by the court having adopted the attitude of such a person, then I believe it appropriate that the court should do the same when deciding what is the fair way to describe the use that a proprietor has made of his mark. Thus, the court should inform itself of the nature of trade and then decide how the notional consumer would describe such use”

<sup>v</sup> *Altecnic Ltd's Trade Mark Application* [2002] RPC 34.

<sup>vi</sup> *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* Case C-39/97.

<sup>vii</sup> He considered that the following should be taken into account when assessing the similarity of goods and/or services:

“(a) The respective uses of the respective goods or services;  
(b) The respective users of the respective goods or services;  
(c) The physical nature of the goods or acts of service;  
(d) The respective trade channels through which the goods or services reach the market;  
(e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;  
(f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.”

<sup>viii</sup> *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* Case C-39/97.

<sup>ix</sup> *Sabel BV v Puma AG* Case C-251/95.

<sup>x</sup> *Rewe Zentral AG v OHIM (LITE)* Case T-79/00.

<sup>xi</sup> *Windsurfing Chiemsee v Huber and Attenberger* Joined Cases C-108/97 and C-109/97.

<sup>xii</sup> *Hotpicks Trade Mark* [2004] RPC 42 and *Chocoladefabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH* Case C-529/07 paragraph 35.

<sup>xiii</sup> *Nonogram Trade Mark* BL O/367/00.

<sup>xiv</sup> *Gromax Plasticulture Limited v Don and Low Nonwovens Ltd* [1999] RPC 367.

<sup>xv</sup> *Harrison v Teton Valley Trading Co* [2005] FSR 10. Full judgment to be found at the url:

<http://www.bailii.org/ew/cases/EWCA/Civ/2004/1028.html>

<sup>xvi</sup> *(1) Barlow Clowes International Ltd. (in liquidation) (2) Nigel James Hamilton and (3) Michael Anthony Jordon v (1) Eurotrust International Limited (2) Peter Stephen William Henwood and (3) Andrew George Sebastian* [2005] UKPC 37 to be found at the url:

<http://www.bailii.org/uk/cases/UKPC/2005/37.html>

and *Ajit Weekly Trade Mark* BL O/004/06.

<sup>xvii</sup> See *Royal Enfield Trade Marks* BL O/363/01.

<sup>xviii</sup> *Re H (minors)* [1996] AC 563.