

O-315-04

TRADE MARKS ACT 1994
IN THE MATTER OF APPLICATION No 81618
BY MARION CORNICK
FOR A DECLARATION OF INVALIDITY

IN RESPECT OF TRADE MARK No 2323072
STANDING IN THE NAME OF
SCIP-R NOSCO

BACKGROUND

1) The following is registered as trade mark No 2323072:



The applicant claims the colour black as an element of the mark.

2) It is registered for the following services in Class 41: “Training of social care staff in how to deal with violence and aggression”.

3) The mark was placed on the Register on 26 September 2003, in the name of Scip-r Nosco with an effective date of 7 February 2003 (the application date).

4) By an application received on 11 February 2004 Marion Cornick applied for a Declaration of Invalidity under the provisions of Section 47(1) of the Act. The grounds are:

i) At the date that the trade mark was applied for there was no legal entity called SCIP-r-NOSCO. The application therefore offends against sections 3(6), 32(2)(b) and 32(3) of the Trade Marks Act 1994.

5) The registered proprietor filed a counterstatement stating that: “the registered proprietor (currently SCIP-r NOSCO) is attempting to rectify its registration of the proprietor as SCIP-r NOSCO has been registered erroneously. We are currently seeking to change registration of the proprietor to “North of Scotland Voluntary Organisations Training Forum” herein referred to as NOSCO using form TM21 (as submitted) along with a ‘witness statement’”. This witness statement, dated 29 April 2004, was made by Robert McDonald the chairperson of Scip-r Nosco Management Committee. He repeats the assertion that the form was filled out erroneously and that the proprietor should have been NOSCO (a registered organisation) but stresses that there is no change of ownership.

6) Both sides ask for an award of costs. Only the applicant filed evidence in these proceedings. Neither side wished to be heard although the registered proprietor did provide written submissions which I will refer to as relevant in my decision.

APPLICANT’S EVIDENCE

7) The applicant provided a witness statement, dated 21 May 2004, by William Robert Tennant the applicant’s Trade Mark Attorney. Mr Tennant reiterates the

grounds of invalidity pointing out that the registered proprietor admits that the registration form was incorrectly completed. Mr Tennant states that as the registered proprietor named does not, and did not exist, then the application was made in bad faith.

8) That concludes my review of the evidence. I now turn to the decision.

DECISION

9) The request for the declaration of invalidity is made under the provisions of Section 47(1) by reference to Section 3(6) of the Trade Marks Act 1994. The relevant provisions read 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.”

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

10) Reference was also made to Section 32 of the Trade Marks Act 1994 which reads:

“32. (1) An application for registration of a trade mark shall be made to the registrar.

(2) The application shall contain-

- (a) a request for registration of a trade mark,
- (b) the name and address of the applicant,
- (c) a statement of the goods or services in relation to which it is sought to register the trade mark, and
- (d) a representation of the mark.

(3) The application shall state that the trade mark is being used, by the applicant or with his consent, in relation to those goods or services, or that he has a *bona fide* intention that it should be so used.”

11) I shall first consider the ground of invalidity under Section 3(6). Section 3(6) has its origins in Article 3(2)(d) of the Directive which implements Council Directive No. 89/104/EEC of 21 December 1988 which states:

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

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

12) The Directive gives no more clue as to the meaning of “bad faith” than the Act. Subsequent case law has avoided explicit definition, but has not shirked from indicating its characteristics. In *Gromax Plastics Ltd v Don & Low Nonwovens Ltd* [1999] RPC 367, Lindsay J stated at page 379:

“I shall not attempt to define bad faith in this context. Plainly it includes dishonesty and, as I would hold, includes also some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined. Parliament has wisely not attempted to explain in detail what is or is not bad faith in this context; how far a dealing must so fall-short in order to amount to bad faith is a matter best left to be adjudged not by some paraphrase by the courts (which leads to the danger of the courts then construing not the Act but the paraphrase) but by reference to the words of the Act and upon a regard to all material surrounding circumstances.”

13) In the Privy Council judgement *Royal Brunei Airlines Sdn Bhd v Tan* [1995] 2 AC 378, Nicholls LJ described dishonesty as “..to be equated with conscious impropriety”. This was in the context of accessory liability in the misapplication of trust assets to the detriment of a beneficiary. However, I think the same general principles would apply in trade mark law. He added:

“In most situations there is little difficulty in identifying how an honest person would behave. Honest people do not intentionally deceive others to their detriment. Honest people do not knowingly take others’ property..... The individual is expected to attain the standard which would be observed by an honest person in those circumstances. It is impossible to be more specific. Knox J captured the flavour of this, in a case with a commercial setting, when he referred to a person who is “guilty of commercially unacceptable conduct in the particular context involved”: see *Cowan de Groot Properties Ltd v Eagle Trust Plc* [1992] 4 All ER 700 at 761. Acting in reckless disregard of others’ rights or possible rights can be a tell-tale sign of dishonesty. An honest person would have regard to the circumstances known to him, including the nature and importance of the proposed transaction, the nature and importance of his role, the ordinary course of business, the degree of doubtUltimately, in most cases, an honest person should have little difficulty in knowing whether a proposed transaction, or his participation in it, would offend the normally accepted standards of honest conduct.”

14) Thus dishonest behaviour is characterised by intention and/or recklessness. Such conduct would clearly be bad faith. It is also obvious, however, from the *Gromax* judgement, that bad faith also describes business dealings which, though not actually dishonest, still fall short of the standards of acceptable commercial behaviour. This includes conduct that is not knowingly fraudulent or illegal, but may be regarded as

unacceptable or less than moral in a particular business context and on a particular set of facts. In *Demon Ale Trade Mark* [2000] RPC 355, the Appointed Person said:

“I do not think that Section 3(6) requires applicants to submit to an open-ended assessment of their commercial morality. However, the observations of Lord Nicholls on the subject of dishonesty in *Royal Brunei Airlines Sdn Bhd v Phillip Tan* [1995] 2 AC 378 (PC) at page 389 do seem to me to provide strong support for the view that a finding of bad faith may be fully justified even in a case where the applicant sees nothing wrong in his own behaviour.”

15) The registered proprietor accepts that the name entered on the form TM3 as the applicant was, and is, not a legal entity. The applicant contends that as such, the registered proprietor could not have had the necessary bona fide intention to use the mark at the time that the application for registration was filed.

16) The registered proprietor’s position is that a genuine mistake was made, that there has been no change in ownership and so they were not acting in bad faith. From the evidence before me there is nothing to suggest that in entering the name SCIP-r NOSCO Mr McDonald intended to mislead anyone. I accept that it was a mistake.

17) However, an allegation of bad faith can cover a number of situations as shown in the above authorities. This includes situations where it is alleged that at the time of application the applicant does not have a bona fide intention to use a trade mark in relation to the goods and services for which registration is sought. Whether this arises from misunderstanding or not, where an applicant does not legally exist it must equate to a finding that the application was made in bad faith. The ground of invalidity under Section 3(6) succeeds. I am fortified in this view by the findings in the *BLARNEY* case (O/175/02).

18) In view of the above I do not need to consider the other grounds of invalidity.

19) The application for invalidity having succeeded the applicant is entitled to a contribution towards costs. I therefore order the proprietor to pay the applicant the sum of £750. This sum to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 15th day of October 2004

George W Salthouse
For the Registrar
The Comptroller-General