

**O-318-15**

**TRADE MARKS ACT 1994**

**TRADE MARK REGISTRATION No. 2576946**

**IN THE NAME OF PHILIP WRIGHT & CLIFFORD VICTOR FISH**

**FOR THE TRADE MARK**

**PAPERLACE**

**IN CLASSES 9, 16 & 41**

**AND AN APPLICATION FOR INVALIDATION**

**UNDER NO 500143**

**BY CHRIS RAYNOR, JOHN RAYNOR,  
GRAHAM WYVILL & CARLO SANTANNA**

## Background and pleadings

1. Philip Wright and Clifford Victor Fish (“the proprietor”) applied to register the following trade mark (hereafter referred to as “the mark”).

**PAPERLACE**

**Application date:** 30 March 2011

**Publication date:** 29 April 2011

**Registration date:** 8 July 2011

2. The mark was registered for the following goods and services:

Class 9: Apparatus for transmission or reproduction of sound or images; recorded media; downloadable electronic publications; compact discs; digital music.

Class 16: Stationery; printed publications.

Class 41: Entertainment.

3. On 4 September 2013, Chris Raynor, John Raynor, Graham Wyvill and Carlo Santanna (“the applicant”) filed a notice of invalidation against the registration. The invalidation is on the basis of Section 3(6) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”).

4. The applicant claims common law ownership in the goodwill in a business known as PAPERLACE trading in the goods and services covered by the mark. They claim to have used the mark as their group name continuously since 1983. Therefore, they state that there would be a misrepresentation to the public which would result in damage to the aforementioned goodwill. This would contravene the law of passing off.

5. The applicant also claims that the registration should not have been registered since it was filed in bad faith. The applicant states that they are the rightful owner of the PAPERLACE mark (for the goods and services registered) and the proprietor was aware of this upon seeking registration. The applicant claims that obtaining registration was an attempt to disrupt their legitimate activities under the mark.

6. The proprietor filed a counterstatement denying the claims made stating that they are groundless. They claim that they are the rightful owner of the registration since they commenced using the registered mark in 1968.

7. Both sides filed evidence in these proceedings (summarised below). A hearing took place before me on 27 May 2015, by video conference. Mr Philip Wright

represented himself and the other proprietor: Mr Clifford Victor Fish. The applicant was represented by Mr Tom St. Quintin of Counsel, instructed by Freeths LLP.

8. The applicant also filed submissions which shall be referred to when necessary/appropriate. The proprietor did not file written submissions, but the oral submissions made by Mr Wright shall be referred to when needed.

## **Evidence**

### *Applicant's evidence*

#### *Witness Statement of Christopher Robert Raynor*

9. This consists of a witness statement from Mr Raynor. Mr Raynor states that he is "a member of a band" which has performed under the name "Paper Lace" continuously and uninterrupted since 1983. He states that the other existing members of the band, since execution of the witness statement on 31 July 2013, are:

John Raynor – 29 years  
Graham Wyvill – 9 years  
Carlo Santanna – 1 year

10. He states that he is authorised to make his statement on behalf of the remaining members of the band.

11. Mr Raynor states that the "relevant date" for these proceedings is 30 March 2011, and at this point the applicant owned "an earlier unregistered right". I shall discuss the relevant date later in this decision.

12. Mr Raynor states that between 1983 and the relevant date<sup>1</sup> the applicant performed "over 2,000 concerts under the Trade Mark in the UK.". This generated over £1,000,000 in revenue.

13. The witness statement includes numerous exhibits, which I summarise below:

Exhibit CRR1 is a "Certificate of Registration for Value Added Tax" which is in the name of Paper Lace. The Certificate states that the Trade Classification for the company is "8813 Performers and performing groups" with an effective date of 9 July 1983.

Exhibit CRR2 comprises of a copy of the single sleeve for the song "Trinidad Boy". The back of the sleeve states: "Songwriting: J Chambers, C Raynor, M Raynor & J Raynor", "Produced by: Paper Lace" and "All Instruments and vocals by Paper Lace (John Chambers, Chris Raynor and John Raynor)". The exhibit also comprises of various press articles:

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<sup>1</sup> Mr Raynor claims this to be 30 March 2011

- An article headed "Paper Lace help team" which refers to the group as "Chris Raynor, John Raynor and John Chambers". The article is undated.
- Headed "Paper Lace in holiday mood" which contains a picture of John Chambers, Chris Raynor and John Raynor. The article is undated.
- Dated 27 June 1992 is an Evening Post article headed "We're Back". The article states:

"PAPER LACE, the Nottingham group who first hit the pop charts in 1974, are trying for a [s]torming comeback with a new single – 14 [y]ears after the last one.

The line-up has completely changed since *Billy Don't Be a Hero* reached Number One more than 18 years ago and their 1978 hit *We've Got the Whole World In Our Hands*.

And now John Chambers, left, and Chris Raynor are hoping to follow in the footsteps of top Nottingham stars KWS and climb to the top of the charts."

Exhibit CRR3 comprises of a number of flyers, newspaper articles and promotional material for PAPERLACE shows. These are dated between 1983 and November 1998.

Exhibit CRR4 is a list detailing UK shows between 1983 and March 2011. It states that there were 1996 shows, accumulating revenue of £1,000,685. The shows appear to be across the UK in towns and cities such as Skegness, Minehead, Bognor Regis, Leicester, Newport, etc. Further details of this exhibit will be referenced later in this decision.

Exhibit CRR5 is a High Court judgment dated 25 October 1988. Exhibit CRR6 is a Court of Appeal judgment dated 11 April 1990. These shall be summarised later in this decision.

Exhibit CRR7 is a press article from the Nottingham Evening Post dated 26 May 2004. The article states that the original band comprised of Philip Wright, Mick Vaughan, Chris Morris and Cliff Fish. It claims that in 1981 the "original group officially disbanded", and "with the approval of the others, Chris Morris kept the name going, recruiting new musicians to join him".

The exhibit also contains a quote from Mr Wright which states: "I was obviously aware of the Paper Lace, but I stepped out of the music industry for ten years and I can't say it bothered me. I put it out of my mind".

Exhibit CRR8 comprises of a letter and email exchange between Chris Raynor and Clifford Fish. Since it is headed "Without prejudice" it has not been taken into consideration.

There is no exhibit CRR9.

Exhibit CRR10 is another email exchange between Mr Wright and Mr Tony Dallas who appears to be an entertainment promoter. Mr Raynor states that

the applicant was contracted to perform a concert on 2 October 2012 in Tamworth. On 10 September 2012, Mr Wright sent an email to the venues promoter (Mr Dallas). The email effectively claims ownership to the name PAPERLACE and states: "In advertising PAPERLACE as appearing at your venue, without the specific permission of the registered owners, you are infringing these property rights and risk prosecution...".

On 15 September 2012, Mr Dallas responded as follows: "I wrote to you explaining the booking in November, I thought that it was a matter between you and the other band as I stated, but we have had a message from our Facebook site saying we could be closed down because of info from you". On the same day, Mr Wright replied to Mr Dallas, attaching a copy of the trade mark registration certificate and reaffirming his stance.

Mr Raynor states that as a result of Mr Wright's threat, the venue decided to withdraw from promoting the show. He does not state whether the show went ahead or not.

Exhibit CRR11 is an email exchange between Ronnie Oliver (who appears to be a music promoter) and Carlo Santanna (one of the applicants). It appears from the exchange that Mr Oliver was asked by Mr Wright to remove references to PAPERLACE from his various advertisements.

Exhibit CRR12 are a selection of facebook screen shots taken on 17 October 2012. Mr Raynor, in particular, refers to Mr Wright's post which states: "So all you promoters out there, be selective and wary of booking the right band. If you don't recognise these guys when you book, or if you don't speak to Phil Wright or Cliff Fish, or Paul Robinson, or Phil Hendriks when you book Paperlace, then you are not getting the real deal, beware of imitations".

Exhibit CRR13 are a selection of youtube links of various Paperlace performances in 2012.

Exhibit CRR14 is an email from youtube to John and Chris Raynor and Graham Wyvill which states the following:

"Dear Member: This is to notify you that we have received a Trademark complaint from Paper Lace regarding your content: Paperlace – Official Website – Hit recording stars from the 70's: [*link to video*] Upon our analysis of the claim, we have removed the content in question."

Exhibit CRR15 are further youtube links to performances of the applicant's band? which state "This video is no longer available due to a trademark claim by a third party. Sorry about that."

## **Proprietor's evidence**

### **Witness Statement of Philip Wright**

14. The proprietor's evidence is a witness statement and accompanying exhibits from Mr Philip Wright. Mr Wright refers to himself and Mr Fish as the registered owners of the trade mark registration. He states that they have "openly promoted The Trade Mark since its inception in 1968".

15. He states that at the relevant date (as referred to by the applicant) of 31 March 2011, Mr Carlo Santanna was "not a member of the collective referred to as The Applicants".

16. Mr Wright states that in 1974 he and Mr Fish had a number one hit in the UK and US, selling in excess of 20,000,000 recordings worldwide.

17. He states that in 1982, he and Mr Fish parted company from the other two original members of the band, Michael Vaughan and Christopher Morris. He goes on to say that Mr Morris asked him and Mr Fish "if they would mind if he continued to perform using the Trade Mark". They said "that as long as there was at least one original member, that the other members had no objection". Mr Wright states that this is when Christopher Raynor, John Raynor and John Chambers joined the band. Six months later, Mr Morris left.

Exhibit PW1 is a "PAPER LACE DICOGRAPHY" and list of a number of songs. It states that the first song was in 1971 and last was November 2014.

Exhibit PW2 is a photograph taken at the 1974 Royal Command Performance. The photograph is of The Queen Mother and Mr Wright, Mr Fish with another member of the "Paper Lace" band.

Exhibit PW3 is a press article dated 7 November 1989. It is headed "Paper Lace are back (with 1974 re-mix...)". It states that three of the original members intended on reforming the band and that the only original member not to join the re-launch was Mr Fish. The remaining three members were Mr Wright, Mr Morris and Mr Vaughan. It appears that the hopes of the band regaining any success "were dashed" by the BBC who introduced a policy not to play war related songs (the planned release date coincided with the "Desert storm" conflict).

Exhibit PW4 is the front and back of a CD cover. It has a copyright date of 2005. The front cover is a picture of five individuals, but no explanation as to who they are is provided.

Exhibit PW5 is an undated press article headed "Sons and Lovers rock back". It states that Mr Wright was recruited as the vocalist for the group Sons and Lovers. The article makes reference to Mr Wright previously being the lead singer of PAPERLACE.

Exhibit PW6 is a Companies House website print out headed "Company details" for Paper Lace Limited. It states that the date of incorporation was 3 June 2004 and that the "Last Accounts Made Up To: 30/06/2010 (DORMANT)".

### **Applicant's evidence in reply**

18. The applicant's evidence in reply is a further witness statement from Mr Raynor. The statement comprises of comments on the proprietor's evidence.

19. Exhibit CCR16 is a copy of the judgment from the Supreme Court of Judicature Court of Appeal (Civil Decision) on Appeal from the High Court of Justice Chancery Division, dated 11 April 1990. The defendants in the proceedings before the Courts were Christopher Morris, Christopher Raynor, John Raynor and John Chambers. The claimants were Philip Wright, Clifford Fish and Michael Vaughan.

20. Mr Raynor's witness statement specifically refers to 5 separate quotes from the Court of Appeal decision, these are:

- "The group (the Registered Proprietor) continued in existence for a while, without any marked success, finally breaking up in September 1981. Wright and Fish resumed their former non-musical trades".<sup>2</sup>
- "As regards the first group, (the Registered Proprietor's group) it seems plain that there have been no activities since the dissolution in 1981, with the possible exception of the Nottingham performance in 1983 which as I understand it was a venture of Mr Vaughan and Mr Wright, and not a Paper Lace performance. There is however evidence that Mr Vaughan was encouraged by this performance to attempt to re-form Paper Lace, but got nowhere because the second Group (the group that had been trading as Paper Lace since 1983, which appears to have included Chris and John Raynor) were already holding themselves out as Paper Lace, and the resulting confusion was blocking any possibility of a re-launch".<sup>3</sup>
- "As regards that group, it began to perform at a time when the first group had been silent for two years. Since then, the second group has worked diligently, but on quite a modest scale, playing at holiday camps, clubs and similar venues".<sup>4</sup>

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<sup>2</sup> Page 2, paragraph 2, lines 8, 9 and 10

<sup>3</sup> Page 5, paragraph 4, lines 1 to 6

<sup>4</sup> Page 5, paragraph 5, lines 1, 2 and 3

- “The delay in prosecution of the action, coupled with the defendants’<sup>5</sup> use of the name Paper Lace ever since July 1983, and the continuing plaintiffs’<sup>6</sup> non-use of the name, must tend to diminish the prospects of the continuing plaintiffs obtaining an injunction at trial”.<sup>7</sup>
- “The principal claim in the action was for an injunction preventing the continuing defendants from using the name Paper Lace. But they had performed as a pop group under that name ever since July 1983, and the continuing plaintiffs had not used that name publicly since the original group was disbanded in 1981”.<sup>8</sup>

### *Court decisions*

21. The applicant has made reference to two decisions, one before the Chancery Division and the subsequent appeal before the Court of Appeal. These decisions are dated 25 October 1988 and 11 April 1990 respectively.

22. The decisions related to an action brought by Philip Wright, Clifford Fish and Michael Vaughan (“the claimants”) against the two Raynors, Morris and Chambers (“the defendants”). In essence, the claimants had sought an injunction against the defendants restraining them from appearing as PAPERLACE. No statement of claim was served, so in 1987 the defendants successfully claimed for the injunction to be dismissed for inordinate delay. This is referred to as “want of prosecution”.

23. The claimant’s appealed the decision and it was heard before the Court of Appeal. They subsequently upheld the Chancery Division’s decision not to grant the requested injunction.

### **Decision**

#### **Chronology of events**

24. It appears useful to begin with a factual chronology of events. Therefore, having reviewed the evidence, including the groups’ history as summarised by the High Court and Court of Appeal decisions<sup>9</sup>, I see the pertinent history as follows. I will note that the summary in the Chancery Division decision does slightly differ to the Court of Appeal decision. For the sake of brevity I will on occasions omit the prefixed “Mr” ad “Messrs” from the names of the various performers:

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<sup>5</sup> In the present case, the applicant

<sup>6</sup> In the present case, the proprietor

<sup>7</sup> Page 9, paragraph 6, lines 10 to 13

<sup>8</sup> Page 11, paragraph 1, lines 1 to 4

<sup>9</sup> Exhibits CRR5 and CRR6 to Mr Raynor’s Witness Statement

1968. The group PAPERLACE is formed by Philip Wright, Clifford Fish, Michael Vaughan and Christopher Morris.

1970s. The band enjoyed a highly successful period, releasing songs such as "The Night Chicago Died", "The Black-Eyed Boys" and the number one hit "Billy Don't be a Hero". In 1974 they sold in excess of 20,000,000 recordings worldwide.

Throughout the 70s, Morris left and re-joined the band on a number of occasions.

1978-79. Morris left again to be replaced by Chris Raynor.

1979. Chris Raynor left. Morris returned once again.

1981. The group, then comprising of Wright, Fish, Vaughan and Morris disbanded.

Morris subsequently asked the other members if they would mind if he continued to perform using the Trade Mark. Mr Wright's version of events, and their response, was as follows:

"In the early part of 1982, The Registered Owners parted company from the other two original members of the band, Michael Vaughan and Christopher Morris. Christopher Morris asked The Registered Owners if they would mind if he continued to perform using The Trade Mark, he was told that as long as there was at least one original member, that the other members had no objection. This is the point in time when he recruited the services of Christopher Raynor, John Raynor and John Chambers but after six months Christopher Morris decided it wasn't working and ended the arrangement. The remaining members, without any rights to continue, decided to go it alone."<sup>10</sup>

1982. Chris and John Raynor plus John Chambers joined Morris.

1982. Wright and Fish declared bankrupt.

1983. Morris left. The two Raynors and Chambers continued.

1988 & 1990. Court decisions issued.

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<sup>10</sup> Paragraph 8 of Philip Wright's Witness Statement

## Comments on the history of the band

25. It is not in dispute that the proprietors were in the original PAPERLACE band, with the other two members being Vaughan and Morris<sup>11</sup>. Morris left and rejoined the band on a number of occasions. When the band ended in 1981 the former members agreed that Morris may continue. Morris subsequently left the “new” PAPERLACE band and there is no evidence that he raised any objection to the remaining members of the ‘new’ band continuing to use the name PAPERLACE.

26. Mr Raynor states that he has been a member of the group, performing under the name Paper Lace, since July 1983. The Court decisions both state that the original group disbanded in 1981.

27. Typically, when groups are formed they do not have a formal agreement. In these circumstances the band members usually constitute a ‘partnership at will’. In this instance, it is clear from the evidence that there was a transition from Morris being with the original PAPERLACE from time to time and then, when the original band broke up, recruiting the two Raynors and Chambers. They continued to perform under the PAPERLACE name, and a new partnership at will was formed.

28. The evidence also suggests that the “new” members of PAPERLACE were previously in a band called Stoney Broke. The fact that they dropped that name and began performing as part of PAPERLACE is of no consequence.

## What is a partnership at will?

29. A partnership at will is an informal arrangement whereby there is no fixed or formal arrangement with regard to the activities of (in this case) a band. In *Andrew Powell v Martin Robert Turner (Wishbourne Ash Case)* [2013] EWHC 3242 (HC), Mr Recorder Campbell, as an Enterprise Court Judge, found that a member of a band still performing as Wishbone Ash was entitled to register that name, despite objections from an ex-member of the band. He found at paragraphs 100 and 101 that:

“The case is a paradigm example of the sorts of difficulties which can arise where there is no written (or indeed any) agreement relating to ownership of the name. The situation is complicated still further by the fact that only the First Wishbone Ash, the Second Wishbone Ash, and the First Reunion Wishbone Ash were clearly partnerships, and neither side relies on the First Reunion Wishbone Ash. Moreover the First Reunion Wishbone Ash partnership had ceased to exist in 1991, which is 7 years before 1998, and

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<sup>11</sup> The Court of Appeal decision states that Messrs Harper and Manders were also original members of the band with them leaving in 1971 and 1973 respectively. These individuals are not referred to in the Chancery Division decision and Mr Wright does not state that they were original members. Moreover, since they are not party to these proceedings, whether they were members of the band or not shall not be given any further consideration.

the members of that partnership had acquiesced in the developments since that date.

In my judgment the sole owner of the goodwill in the name Wishbone Ash as at February 1998 was the Claimant. I reach this conclusion by dismissing all of the other possibilities advanced by the parties, for the reasons given above, leaving this as the most logical. It is not as simple as saying that that the Claimant was the “last man standing”. It is the combination of the Claimant's position in February 1998 plus the point that all other possible contenders for ownership of that goodwill had, since at least 1994 if not before, acquiesced in that position”.

30. Moreover, the leading authority relating to partnerships at will in the context of trade marks is *Saxon Trade Mark* [2003] FSR 39 (HC). In paragraphs 25 and 26 of that decision, Laddie J. stated that:

“Absent special facts such as existed in *Burchell*, the rights and obligations which arise when a group of musicians, performing in a band as a partnership, split up can be explained as follows. It is convenient to start by considering the position when two, entirely unrelated bands perform under the same name. The first performs from, say, 1990 to 1995 and the second performs from 2000 onwards. Each will generate its own goodwill in the name under which it performs. If, at the time that the second band starts to perform, the reputation and goodwill of the first band still exists and has not evaporated with the passage of time (see *Ad-Lib Club Ltd v Granville* [1972] R.P.C. 673) or been abandoned (see *Star Industrial Co Ltd v Yap Kwee Kor* [1976] F.S.R. 256) it is likely to be able to sue in passing off to prevent the second group from performing under the same name (see *Sutherland v V2 Music* [2002] EWHC 14 (Ch); [2002] E.M.L.R. 28 ). On the other hand, if the goodwill has disappeared or been abandoned or if the first band acquiesces in the second band's activities, the latter band will be able to continue to perform without interference. Furthermore, whatever the relationship between the first and second bands, the latter will acquire separate rights in the goodwill it generates which can be used against third parties (see *Dent v Turpin and Parker & Son (Reading) Ltd v Parker* [1965] R.P.C. 323). If the first band is a partnership, the goodwill and rights in the name are owned by the partnership, not the individual members, and if the second band were to be sued, such proceedings would have to be brought by or on behalf of the partnership.

The position is no different if the two bands contain common members. If, as here, they are partnerships at will which are dissolved when one or more partners leave, they are two separate legal entities. This is not affected by the fact that some, even a majority, of the partners in the first band become members of the second. A properly advised band could avoid the problem that this might cause by entering into a partnership agreement which expressly provides for the partnership to continue on the departure of one or more members and which expressly confirms the rights of the continuing and

expressly limits the rights of departing partners to make use of the partnership name and goodwill. This is now commonplace in the partnership deed for solicitors' practices.”

31. During the hearing Mr St. Quintin referred me to the *Saxon* case. In that instance, *Saxon* was the name of a heavy metal group. The trade mark application was made by two members of the original group, Messrs Dawson and Oliver. Both had left the group by the time they made their application for registration: Dawson 12 years before, Oliver 2 years before. Both had been replaced and gone on to work as musicians in other bands. An application was made by another band member, Byford, to invalidate the trade mark. Byford had continued to be a member of various manifestations of the band since the 1970s. He continued to perform, along with others, as *Saxon*. The invalidation application was initially rejected by the Registrar on the grounds that each of the band members held a share in the goodwill of the band, which they were entitled to exploit. Consequently, Mr Byford's claim was no greater than that of Mr Oliver or Mr Dawson. On appeal Laddie J. assessed the situation differently. He said at paragraphs 19, 25 and 26 that:

“In my view, Mr Foley's views as to ownership of the name SAXON and the goodwill associated with it are not correct. There is no dispute that the group was a partnership at will in the 1980s. The name and goodwill were assets of the partnership. All the partners have or had an interest in those and all other assets of the partnership, but that does not mean that they owned the assets themselves. Absent a special provision in the partnership agreement, the partners had an interest in the realised value of the partnership assets. On dissolution of the original partnership, which is what happened when Mr Dawson departed in 1985, he and all the other partners were entitled to ask for the partnership assets to be realised and divided between them in accordance with their respective partnership shares. But none of them “owned” the partnership assets. In particular, none of them owned the name SAXON or the goodwill built up under it.”

32. On the facts of the *Saxon* case, the judge decided that Dawson had abandoned his share in the goodwill in the partnership by the time that the application for registration was made, and that Oliver was in much the same position. Therefore, neither was entitled to apply for registration in the face of the goodwill generated by the more recently constituted partnership performing as *Saxon*.

33. There have been a number of instances whereby bands are formed without any formal agreement. Accordingly, they are partnerships at will. This was what happened in the *Saxon* case, and I consider that this is what happened with PAPERLACE. No evidence of a formal agreement has been filed. Therefore, when Wright and Fish left the group they, along with the other group members, “were entitled to ask for the partnership assets to be realised and divided between them in accordance with their respective partnership shares. But none of them “owned” the partnership assets. In particular, none of them owned the name SAXON [in this case PAPERLACE] or the goodwill built up under it.”<sup>12</sup>

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<sup>12</sup> Paragraph 19 of the SAXON trade mark case

34. It was argued by Mr Wright that when PAPERLACE disbanded, that was the end of the band. However, the evidence before me and the Courts interpretation clearly differ to the explanation provided. Accordingly, I find that upon leaving the band the partnership at will was dissolved and a new one was formed between Morris and the new members: the two Raynors and Vaughan. Once Morris left the band his partnership at will with those “new” band members was dissolved, and a new one was created between the remaining members. This process was most likely repeated time and time again when Vaughan left and Wyvill joined.

35. During the hearing Mr St. Quintin referred to Mr Wright and Mr Fish’s position as being a “one time election”. In other words, once they left the band they may have had some claim over the assets at that time but, moreover, they have abandoned their goodwill and may not re-elect themselves.

36. To summarise, the persons who are the proprietor abandoned their goodwill in the band and the name was continued by Morris, and then by the remaining members. Since it has now been established that the proprietor abandoned their goodwill, what was the position at the relevant date, i.e. should the registration be declared invalid pursuant to section 5(4)(a) because use of the mark by the proprietor would constitute passing off having regard to the common law rights accrued by the applicant.

### **The relevant date**

37. In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11, Mr Daniel Alexander QC as the Appointed Person considered the relevant date for the purposes of s.5(4)(a) of the Act and concluded at paragraphs 39 to 43 as follows:

“In *Last Minute*, the General Court....said:

‘50. First, there was goodwill or reputation attached to the services offered by LMN in the mind of the relevant public by association with their get-up. In an action for passing off, that reputation must be established at the date on which the defendant began to offer his goods or services (*Cadbury Schweppes v Pub Squash* (1981) R.P.C. 429).

51. However, according to Article 8(4) of Regulation No 40/94 the relevant date is not that date, but the date on which the application for a Community trade mark was filed, since it requires that an applicant seeking a declaration of invalidity has acquired rights over its non-registered national mark before the date of filing, in this case 11 March 2000.’

Paragraph 51 of that judgment and the context in which the decision was made on the facts could therefore be interpreted as saying that events prior to the filing date were irrelevant to whether, at that date, the use of the mark applied for was liable to be prevented for the purpose of Article 8(4) of the CTM Regulation. Indeed, in a recent case before the Registrar, *J Sainsbury plc v. Active: 4Life Ltd* O-393-10 [2011] ETMR 36 it was argued that *Last Minute* had effected a fundamental change in the approach required before

the Registrar to the date for assessment in a s.5(4)(a) case. In my view, that would be to read too much into paragraph [51] of *Last Minute* and neither party has advanced that radical argument in this case. If the General Court had meant to say that the relevant authority should take no account of well-established principles of English law in deciding whether use of a mark could be prevented at the application date, it would have said so in clear terms. It is unlikely that this is what the General Court can have meant in the light of its observation a few paragraphs earlier at [49] that account had to be taken of national case law and judicial authorities. In my judgment, the better interpretation of *Last Minute*, is that the General Court was doing no more than emphasising that, in an Article 8(4) case, the *prima facie* date for determination of the opponent's goodwill was the date of the application. Thus interpreted, the approach of the General Court is no different from that of Floyd J in *Minimax*. However, given the consensus between the parties in this case, which I believe to be correct, that a date prior to the application date is relevant, it is not necessary to express a concluded view on that issue here.

There are at least three ways in which such use may have an impact. The underlying principles were summarised by Geoffrey Hobbs QC sitting as the Appointed Person in *Croom's TM* [2005] RPC 2 at [46] (omitting case references):

- (a) The right to protection conferred upon senior users at common law;
- (b) The common law rule that the legitimacy of the junior user's mark in issue must normally be determined as of the date of its inception;
- (c) The potential for co-existence to be permitted in accordance with equitable principles.

As to (b), it is well-established in English law in cases going back 30 years that the date for assessing whether a claimant has sufficient goodwill to maintain an action for passing off is the time of the first actual or threatened act of passing off: *J.C. Penney Inc. v. Penneys Ltd.* [1975] FSR 367; *Cadbury-Schweppes Pty Ltd v. The Pub Squash Co. Ltd* [1981] RPC 429 (PC); *Barnsley Brewery Company Ltd. v. RBNB* [1997] FSR 462; *Inter Lotto (UK) Ltd. v. Camelot Group plc* [2003] EWCA Civ 1132 [2004] 1 WLR 955: "date of commencement of the conduct complained of". If there was no right to prevent passing off at that date, ordinarily there will be no right to do so at the later date of application.

In *SWORDERS TM* O-212-06 Mr Alan James acting for the Registrar well summarised the position in s.5(4)(a) proceedings as follows:

'Strictly, the relevant date for assessing whether s.5(4)(a) applies is always the date of the application for registration or, if there is a priority date, that date: see Article 4 of Directive 89/104. 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.'

38. Mr Raynor claims that the relevant date is the filing date of the registration, i.e. 30 March 2011. There is no question that Mr Wright and Mr Fish were two of the founding members of the band and, therefore, given this use they once had a share in a protectable goodwill in a business known as PAPERLACE. However, upon leaving the band in 1982 they relinquished their share in this goodwill. Thereafter the only surviving goodwill was that generated by new partnerships trading as PAPERLACE. Consequently, only the applicants could own a relevant goodwill at the date of application for the registration – 30 March 2011. That is therefore the relevant date.

**Did the applicant have sufficient goodwill in the mark at the relevant date?**

39. In *Hart v Relentless Records* [2003] FSR 36, Jacob J. (as he then was) stated that:

“62. In my view the law of passing off does not protect a goodwill of trivial extent. Before trade mark registration was introduced in 1875 there was a right of property created merely by putting a mark into use for a short while. It was an unregistered trade mark right. But the action for its infringement is now barred by s.2(2) of the Trade Marks Act 1994. The provision goes back to the very first registration Act of 1875, s.1. Prior to then you had a property right on which you could sue, once you had put the mark into use. Even then a little time was needed, see per Upjohn L.J. in BALI Trade Mark [1969] R.P.C. 472. The whole point of that case turned on the difference between what was needed to establish a common law trade mark and passing off claim. If a trivial goodwill is enough for the latter, then the difference between the two is vanishingly small. That cannot be the case. It is also noteworthy that before the relevant date of registration of the BALI mark (1938) the BALI mark had been used “but had not acquired any significant reputation” (the trial judge's finding). Again that shows one is looking for more than a minimal reputation.”

40. However, a small business which has more than a trivial goodwill can protect signs which are distinctive of that business under the law of passing off even though its reputation may be small. In *Stacey v 2020 Communications* [1991] FSR 49, Millett J. stated that:

“There is also evidence that Mr. Stacey has an established reputation, although it may be on a small scale, in the name, and that that reputation preceded that of the defendant. There is, therefore, a serious question to be tried, and I have to dispose of this motion on the basis of the balance of convenience.”

41. See also: *Stannard v Reay* [1967] FSR 140 (HC); *Teleworks v Telework Group* [2002] RPC 27 (HC); *Lumos Skincare Limited v Sweet Squared Limited and others* [2013] EWCA Civ 590 (COA)

42. During the hearing Mr. St Quintin summarised the position as the band being at their peak in the 1990s with their subsequent appearances maintaining the goodwill. He highlighted that “Butlins resorts generally have been faithful users”. I agree with this summary.

43. Exhibit CRR4 to the witness statement of Mr Raynor are a list of Paper Lace performances:

<b>Year</b>	<b>No. of shows/location</b>	<b>Income</b>
2003	8 – Blackpool, Warners in Isle of Wight (x2), Chard, Crewe and North Wales Gala Bingo in Strood,	£10,150
2004	13 – Warners in Isle of Wight, Great Yarmouth, Lowestoft and Alvaston Hall, BCM in Peterborough, Galaxy Bingo in Belfast, Gala Bingo in Rochester and Basildon, P&O cruise Tenerife, Butlins in Bognor Regis (x2) and Skegness	£18,150
2005	12 – Warners in Harrogate, Littlecote House Hotel and Alvaston Hall Haven in Hastings, Gt. Yarmouth, Mablethorpe, Ayr, Pontins in Pakefield (x2), Butlins in Bognor Regis and Skegness,	£11,870
2006	3 – Pontins Pakefield, Butlins Skegness and Majestic Bingo South Shields	£5,000
2007	5 – Sinah Warren, Butlins Skegness (x2), Gilvenbank Hotel Glenrothes and B.J’s Bingo Kitts Birminham	£8,400
2008	3 – Butlins Skegness (x3)	£5,400
2009	3 – Butlins Minehead, Pontins Pakefield and Alvaston Hall	£5,250
2010	2 – Butlins Bognor and Vauxhall Caravan Park Great Yarmouth	£3,500
2011 – (up until 30 March)	1 – Butlins Skegness	£1,750

44. It is clear that whilst the number of shows and income generated by the applicant has tapered off over the last few years. However, the fact that various Butlins resorts consistently seek their services is clear evidence of continued custom, and the existence of goodwill.

45. Accordingly, I find that the evidence is sufficient to establish that the applicant (with the exception of Santanna who did not join the band until after the relevant date) had acquired a protectable goodwill under the mark PAPERLACE at the relevant date.

*Misrepresentation and damage*

46. In *Neutrogena Corporation and Another v Golden Limited and Another*, [1996] RPC 473, Morritt L.J. stated that:

“There is no dispute as to what the correct legal principle is. As stated by Lord Oliver of Aylmerton in *Reckitt & Colman Products Ltd. v. Borden Inc.* [1990] R.P.C. 341 at page 407 the question on the issue of deception or confusion is

“is it, on a balance of probabilities, likely that, if the appellants are not restrained as they have been, a substantial number of members of the public will be misled into purchasing the defendants' [product] in the belief that it is the respondents'[product]”

The same proposition is stated in *Halsbury's Laws of England* 4th Edition Vol.48 para 148 . The necessity for a substantial number is brought out also in *Saville Perfumery Ltd. v. June Perfect Ltd.* (1941) 58 R.P.C. 147 at page 175 ; and *Re Smith Hayden's Application* (1945) 63 R.P.C. 97 at page 101.”

And later in the same judgment:

“... for my part, I think that references, in this context, to “more than de minimis ” and “above a trivial level” are best avoided notwithstanding this court's reference to the former in *University of London v. American University of London* (unreported 12 November 1993) . It seems to me that such expressions are open to misinterpretation for they do not necessarily connote the opposite of substantial and their use may be thought to reverse the proper emphasis and concentrate on the quantitative to the exclusion of the qualitative aspect of confusion.”

47. The relevant section of the public is the applicant's customers and potential customers. The registered mark is stylised as shown below:

*PAPERLACE*

48. The format of the registered mark compared to the plain font of the mark used by the applicant is not materially different. Whilst the registration is in a stylised format, it is merely italics which do not alter the distinctive character of the mark. Accordingly, the mark as used by the applicant, is visually identical to the mark as registered. Further, the services which the mark has been used are identical to the registration. Whilst the goods are not identical they are clearly related since they would include recordings of the band's music and be used for promotional purposes.

49. In view of the above, there is no question that use of the proprietor's mark would constitute a misrepresentation to the public. The misrepresentation would liable to deceive a substantial number of the opponent's customers or potential customers. This would inevitably damage the applicant's goodwill through the loss of sales to the proprietor.

## Conclusion

50. In summary, I have found the following:

- The proprietor abandoned the goodwill.
- Morris continued the PAPERLACE band after the prior members all decided to cease performing together. Shortly later Morris left, and the remaining members continued to perform under the PAPERLACE name to a reasonable level of success.
- At the relevant date, the applicant acquired protectable goodwill.
- Use of the PAPERLACE mark by Wright and Fish for identical services and related goods will result in misrepresentation and subsequent damage.

## Outcome

**51. The claim under section 5(4)(a) of the Act succeeds. The application for invalidation is successful in its entirety.**

## Section 3(6)

52. Whilst the applicant's section 5(4)(a) claim has succeeded, for the sake of completeness, I shall still consider their bad faith claim.

### *Legislation*

53. Section 3(6) of the Act states:

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

### *Relevant case law*

54. The law in relation to section 3(6) of the Act (“bad faith”) was summarised in paragraph numbers 130 to 138 by Arnold J. in *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited* [2012] EWHC 1929 (Ch):

“A number of general principles concerning bad faith for the purposes of section 3(6) of the 1994 Act/Article 3(2)(d) of the Directive/Article 52(1)(b) of the Regulation are now fairly well established. (For a helpful discussion of many of these points, see N.M. Dawson, "Bad faith in European trade mark law" [2011] IPQ 229.)

First, the relevant date for assessing whether an application to register a trade mark was made in bad faith is the application date: see Case C- 529/07 *Chocoladenfabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH* [2009] ECR I-4893 at [35].

Secondly, although the relevant date is the application date, later evidence is relevant if it casts light backwards on the position as at the application date: see *Hotel Cipriani Srl v Cipriani (Grosvenor Street) Ltd* [2008] EWHC 3032 (Ch), [2009] RPC 9 at [167] and cf. Case C-259/02 *La Mer Technology Inc v Laboratoires Goemar SA* [2004] ECR I-1159 at [31] and Case C-192/03 *Alcon Inc v OHIM* [2004] ECR I-8993 at [41].

Thirdly, a person is presumed to have acted in good faith unless the contrary is proved. An allegation of bad faith is a serious allegation which must be distinctly proved. The standard of proof is on the balance of probabilities but cogent evidence is required due to the seriousness of the allegation. It is not enough to prove facts which are also consistent with good faith: see *BRUTT Trade Marks* [2007] RPC 19 at [29], *von Rossum v Heinrich Mack Nachf. GmbH & Co KG* (Case R 336/207-2, OHIM Second Board of Appeal, 13 November 2007) at [22] and *Funke Kunststoffe GmbH v Astral Property Pty Ltd* (Case R 1621/2006-4, OHIM Fourth Board of Appeal, 21 December 2009) at [22].

Fourthly, bad faith includes not only dishonesty, but 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": see *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] RPC 367 at 379 and *DAAWAT Trade Mark* (Case C000659037/1, OHIM Cancellation Division, 28 June 2004) at [8].

Fifthly, section 3(6) of the 1994 Act, Article 3(2)(d) of the Directive and Article 52(1)(b) of the Regulation are intended to prevent abuse of the trade mark system: see *Melly's Trade Mark Application* [2008] RPC 20 at [51] and *CHOOSI Trade Mark* (Case R 633/2007-2, OHIM Second Board of Appeal, 29 February 2008) at [21]. As the case law makes clear, there are two main classes of abuse. The first concerns abuse vis-à-vis the relevant office, for example where the applicant knowingly supplies untrue or misleading information in support of his application; and the second concerns abuse vis-à-vis third parties: see *Cipriani* at [185].

Sixthly, in order to determine whether the applicant acted in bad faith, the tribunal must make an overall assessment, taking into account all the factors relevant to the particular case: see *Lindt v Hauswirth* at [37].

Seventhly, the tribunal must first ascertain what the defendant knew about the matters in question and then decide whether, in the light of that knowledge, the defendant's conduct is dishonest (or otherwise falls short of the standards of acceptable commercial behaviour) judged by ordinary standards of honest people. The applicant's own standards of honesty (or acceptable commercial behaviour) are irrelevant to the enquiry: see *AJIT WEEKLY Trade Mark* [2006] RPC 25 at [35]-[41], *GERSON Trade Mark* (Case R 916/2004-1, OHIM First Board of Appeal, 4 June 2009) at [53] and *Campbell v Hughes* [2011] RPC 21 at [36].

Eighthly, consideration must be given to the applicant's intention. As the CJEU stated in *Lindt v Hauswirth*:

"41. ... in order to determine whether there was bad faith, consideration must also be given to the applicant's intention at the time when he files the application for registration.

42. It must be observed in that regard that, as the Advocate General states in point 58 of her Opinion, the applicant's intention at the relevant time is a subjective factor which must be determined by reference to the objective circumstances of the particular case.

43. Accordingly, the intention to prevent a third party from marketing a product may, in certain circumstances, be an element of bad faith on the part of the applicant.

44. That is in particular the case when it becomes apparent, subsequently, that the applicant applied for registration of a sign as a Community trade mark without intending to use it, his sole objective being to prevent a third party from entering the market.

45. In such a case, the mark does not fulfil its essential function, namely that of ensuring that the consumer or end-user can identify the origin of the product or service concerned by allowing him to distinguish that product or service from those of different origin, without any confusion (see, inter alia, Joined Cases C-456/01 P and C-457/01 P *Henkel v OHIM* [2004] ECR I-5089, paragraph 48)."

## **Decision**

### **Statement of grounds**

55. The applicant's section 3(6) claim is broadly based upon allegation that the proprietor's intention is to disrupt the activities of the applicant. They state:

"The Applicant will establish in evidence that the Registrants had full knowledge that the Applicant was the rightful proprietor of the Trade Mark at the Relevant Date. The Applicant will show that the Registrants were fully aware that the Applicant had been using the Trade mark since 1983 and that it had acknowledged the applicant was indeed the rightful proprietor of the trade mark in a statement made to the press and on the Registrants own website. The applicant will show that the registrants were clearly aware at the relevant date that they could not legitimately prevent the applicant's use of the trade mark."

Further:

"In addition to the take down of the Applicant's Social Media Sites the Registrants have also contacted third parties and threatened infringement proceedings on the basis of the Registration, if such third parties continued

working with the Applicant.” And “These actions have caused serious and substantial damage to the goodwill in the Trade Mark in respect of the Goods and Services owned by the Applicant.”

56. The proprietor believes that they are the legitimate owner of the registration and accordingly denied the claim. They stated in their counterstatement that:

“The registered trade mark conforms to the requirements of registration with the IPO and was not made in bad faith. The purpose of registration was to give the registered owners protection regarding the misuse of their trade mark by others wishing to capitalise on the reputation and the achievements of the earlier previously unregistered mark. The misuse of the registered mark by the applicants has caused confusion for the general public and mistrust by the music industry in the registered owners, resulting in damage to the reputation of the earlier mark and a loss of potential work.”

57. During the hearing Mr St. Quintin referred to four instances whereby Mr Wright sought to disrupt the applicant’s activities.

58. A clear example of the disruptive intentions of the proprietor (upon gaining a trade mark registration) is exhibited to Mr Raynor’s witness statement at CRR10. As a result of the email sent by Mr Wright, the applicant was required to promote their own performances (it is not clear if the performance was in fact postponed or cancelled). Nevertheless, it is clear that the email did cause Mr Dallas some concern since there was risk of his Facebook page (which he clearly uses for his business activities) being shut down. Given the risk to his business activities, on the balance of probabilities, this would adversely affect the relationship between the applicant and the promoter (Mr Dallas).

59. Another instance involved the removal of a live performance by the applicant band which was posted on youtube (exhibit CRR14 refers).

60. I do note that many of these exhibits are after the relevant date. Nevertheless, I am mindful that I may consider later evidence if it casts light backwards<sup>13</sup>. This evidence demonstrates the proprietor’s intentions when they gained a trade mark registration for PAPERLACE.

61. In *Saxon*, Laddie J. held at paragraphs 38 and 39 that:

“As indicated above, I disagree with Mr Foley’s conclusion that Mr Oliver and Mr Dawson had a right to claim to be the owners of the mark. Furthermore, inherent in the statement that Mr Oliver “got there first”, is the recognition that ownership of the mark gave the proprietors the right to interfere with the use of the same mark by others in relation to the same goods and services. That Mr Oliver and Mr Dawson could use it to interfere, not just with other former partners in the original band, but also with the current band. As a result of the March 2001 letter referred to above, it can be seen that the ability to interfere is not a hypothetical possibility.

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<sup>13</sup> *Hotel Cipriani Srl v Cipriani (Grosvenor Street) Ltd* [2008] EWHC 3032 (Ch), [2009] RPC 9 at [167]

As Lindsay J. said, each case must be decided on its own facts. Here the proprietors have obtained registration of SAXON simpliciter even though they have no existing title to it and have done so for the purpose of interfering with the rights of others who do and have consistently used the mark....In my view this is bad faith within the meaning of the section.”

62. The circumstances in this case are the same as *Saxon*. It is clear that the intention of the proprietor in obtaining registration was to interfere with the continuation of the applicant’s legitimate trading activities. This constitutes an application being filed in bad faith.

## **Outcome**

**63. The application for invalidation under section 3(6) succeeds.**

## **COSTS**

64. Mr St. Quintin referred to the procedural hearing that took place on 29 July 2014. The hearing was before a different hearing officer (Ms Skilton) and it concerned the late/non filing of the TM8. Evidently the TM8 was subsequently filed and admitted into proceedings. It was concluded by Ms Skilton that:

“Following the introduction of the Trade Mark Registry’s online filing system it has been customary for the Tribunal to correspond with parties by email, where an email address has been provided. It became apparent, towards the end of last year, that the heading used in a number of emails sent from the Tribunal was detected by email filters and sent to junk and spam folders rather than the recipient’s inbox. Following a review of Registry practice the email headings were changed in January of this year, for all outgoing correspondence, to avoid this occurring in future.

The correspondence at issue in this case was sent within the period effected by the problematic email titles. Consequently, I am satisfied that the heading in the communication from the Registry was a material factor in the proprietors failing to meet the deadline for filing a defence and consequently will set aside the decision under rule 43.”

65. Ms Skilton advised the parties that the costs from that hearing will be carried over and dealt with in this decision. In my view, it seems that the issue arose from a technical irregularity resulting from the Registry’s online filing system, and that no one party was at fault. Accordingly, it does not appear appropriate for me to make an award of costs in respect of the hearing that took place before Ms Skilton.

66. With regard to costs in relation to the substantive issues, I have concluded that the applicant has been successful. Therefore, it is entitled to a contribution towards its costs. In the circumstances I award the applicant the sum of £2600. The sum is calculated as follows:

Preparing a statement and considering the other side's statement:	£400
Preparing evidence and considering and commenting on the other side's evidence	£1000
Preparing for and attending a hearing	£1000
Official fee	£200
<b>Total</b>	<b>£2600</b>

67. I therefore order Philip Wright and Clifford Victor Fish to pay Chris Raynor, John Raynor, Graham Wyvill and Carlo Santanna the sum of £2600. The above sum should 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 7th day of July 2015**

**MARK KING**  
**For the Registrar,**  
**The Comptroller-General**