

O-337-06

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NOS 2354318, 2354319 AND 2377688  
BY MARK DAVID COOPER  
TO REGISTER THE TRADE MARKS:**

**MOOlicious  
MOO-licious  
(series of two trade marks)**

**MOOshake  
MOO-shake  
(series of two trade marks)**

**MOOsotonic  
MOO-sotonic  
Moo-sotonic  
(series of three trade marks)**

**AND**

**THE CONSOLIDATED OPPOSITIONS THERETO  
UNDER NOS 92974, 92975 AND 93348  
BY  
MILK LINK LIMITED**

## Trade Marks Act 1994

**In the matter of application nos 2354318, 2354319 and 2377688  
by Mark David Cooper  
and the consolidated oppositions thereto  
under nos 92974, 92975 and 93348  
by Milk Link Limited**

### BACKGROUND

1) On 24 January 2004 Mark David Cooper applied to register two series of trade marks, the applications were allocated the numbers: 2354318 and 2354319. On 9 November 2004 Almighty Marketing Limited, which I will refer to as Almighty, applied to register a series of trade marks, the application was allocated the number: 2377688. On 20 May 2004 application nos 2354318 and 2354319 were assigned to Almighty. On 27 July 2005 all three applications were assigned to Mark David Cooper. All of the application forms were signed by Mr Cooper. The details of the applications, as published, are as below:

<b>Application no</b>	<b>Trade marks</b>	<b>Date of publication</b>	<b>Specification</b>
2354318	MOOlicious MOO-licious (series of two)	20 August 2004	<i>milk and milk products, yogurt, flavoured yogurt, drinks flavoured with chocolate having a milk base, frozen milk and milk products, organic milk, organic milk and milk products, organic yogurt and yogurt products, organic frozen milk and milk products;</i>  <i>advertising.</i>
2354319	MOOshake MOO-shake (series of two)	20 August 2004	<i>milk and milk products, yogurts, flavoured yogurt, drinks flavoured with chocolate having a milk base, frozen milk and milk products, organic milk, organic milk and milk products, organic yogurt and yogurt products, organic frozen milk and milk products;</i>  <i>advertising.</i>

The above goods and services are in classes 29 and 35 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.

2377688	MOOsotonic MOO-sotonic Moo-sotonic (series of three)	21 January 2005	<i>clothing, footwear, headgear;</i>  <i>milk and milk products, yogurt, flavoured yogurt drinks flavoured with chocolate having a milk base, frozen milk and milk products, organic milk and milk products, organic yogurt and yogurt products, organic frozen milk and milk products;</i>  <i>non alcoholic drinks.</i>
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The above goods and services are in classes 25, 29 and 32 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 22 November 2004 Milk Link Limited, which I will refer to as Link, filed notices of opposition against application nos 2354318 and 2354319. On 20 April 2005 Link filed a notice of opposition against application no 2377688. Link states that it is the applicant's stated business on its website, pages from which are attached to the notice of opposition, to register dairy related trade marks and to offer those for outright purchase or licence/royalty. Consequently, the applicant does not have a present and fixed bona fide intention to use the trade marks, contrary to section 32(3) of the Trade Marks Act 1994 (the Act). Consequently, the applications were made in bad faith and registration of the trade marks would be contrary to section 3(6) of the Act.

3) Almighty filed counterstatements. It denies the grounds of opposition. It states that it is its full intention to use the trade marks. Almighty states that it only started a website after it had entered negotiations with Link in relation to Link purchasing Almighty's trade mark Moo Juice..

4) Both sides filed evidence.

5) These cases should clearly have been consolidated. At the hearing in respect of the three oppositions I advised the sides that I was consolidating the three oppositions.

6) A hearing was held on 1 November 2006. Link was represented by Mr Chacksfield of counsel, instructed by Burges Salmon. Mr Cooper represented himself.

## **EVIDENCE**

### **Main evidence of Link**

7) This consists of witness statements by Karen Young. Ms Young is the company secretary of Link.

8) Almighty was incorporated on 11 September 2003. Almighty's primary objects as stated in its memorandum of association are to "carry on the business of the ownership and marketing of patterns and trade marks". Ms Young states that Almighty's website, [www.almightymarketing.co.uk](http://www.almightymarketing.co.uk), was shut down on 15 August 2005. A page from the website, downloaded on 13 August 2004, states:

"Almighty Marketing are a group of business professionals with inspired marketing ideas for all business sectors. We welcome the opportunity of meeting with your sales and marketing team to explore the possibility of assisting your company to achieve it's goals and aims. For some examples of current Trade Marks that are available for purchase or licence please visit [www.purewhitegenius.co.uk](http://www.purewhitegenius.co.uk)"

A page downloaded from [www.purewhitegenius.co.uk](http://www.purewhitegenius.co.uk) on 19 May 2005 is headed Almighty Marketing. It is stated on the page:

"Almighty Marketing – Marketing Concepts & Trademarks are available for purchase or licence/royalty offers."

It goes on to state:

"With an extensive background in dairy farming, the founder of Almighty Marketing has been inspired to register a number of dairy related marketing concepts. The Registered Trademarks TM are the property of the founders and offers are invited for outright purchase or licence/royalty. These TM's have been made available to the Dairy industry to use in order to help promote Natures Natural Soft Drink – 'MILK'."

The [almightymarketing.co.uk](http://almightymarketing.co.uk) domain name is owned by Mr Cooper, it was registered on 12 April 2004. The [purewhitegenius.co.uk](http://purewhitegenius.co.uk) domain name is also owned by Mr Cooper, it was registered on 23 July 2003. Ms Young states that Mr Cooper is the managing director of Almighty. Ms Young states that until its shut down the following United Kingdom trade marks were advertised for sale or licensing on Almighty's website:

<b>Number</b>	<b>Trade mark</b>	<b>Class</b>	<b>Registration date</b>
2218651	CLASSINAGLASS	29	16 June 2000
2181821	GRASSINAGLASS	29	23 April 1999
2345075	MOO DONNA	25, 29, 35	11 June 2004
2353437	MOODONNA	25, 29, 35	4 June 2004
2229465	MOOGURT	29, 30	8 June 2001
2047388	MOO JUICE	29	16 August 1996
2342045	MOO JUICE	25	27 February 2004
2175470	NATURE'S NATURAL	29	27 August 1999
2216953	NATURE'S NATURAL GENIUS	29	19 May 2000
2045603	NATURE'S NATURAL SOFT DRINK	29	11 August 1997
2263659	NATURE'S REAL THING	29	3 May 2002
2275152	PURE NATURAL GENIUS	29, 30	5 April 2002
2127772B	PURE WHITE GENIUS	29	2 June 2000

Domain names matching these trade marks, all of which are owned by Mr Cooper and were registered on 23 July 2003, were also offered for sale.

9) Ms Young states that Link and Mr Cooper entered into negotiations for the purchase of various moo related trade marks (not including those of application no 2377688) in July 2003. The negotiations continued and by the end of June 2004 they were concerned solely with the trade marks: MOO JUICE, MOOGURT, MOODONNA, MOOLICIOUS, MOOSHAKE and MOOSTACHE (the Moo trade marks). All of these trade marks were originally applied for by Mark Cooper but were later assigned to Almighty, the requests for assignment being actioned on 17 December 2003 or 28 June 2004. Ms Young states that all of the registered trade marks were, at the same time, being advertised for sale on the website [purewhitegenius.co.uk](http://purewhitegenius.co.uk). Ms Young states that Link had no interest in purchasing the trade marks CLASSINAGLASS, GRASSINAGLASS, NATURE'S NATURAL, NATURE'S NATURAL GENIUS, NATURE'S NATURAL SOFT DRINK, NATURE'S REAL THING, PURE NATURAL GENIUS or PURE WHITE GENIUS, which were all offered for sale on Almighty's website. In a letter from Mr Cooper to Ms Young, dated 18 November 2003, he states that he is transferring the ownership of the Moo trade marks to Almighty Marketing Limited on the advice of his accountants.

10) Ms Young states that the negotiations between Link and Mr Cooper/Almighty ended in the summer of 2004. Mr Cooper's solicitors wrote to Link's solicitors on 8 October 2004 to try and restart negotiations. On 20 October 2004 Link filed applications for revocation and invalidation in relation to the MOO JUICE United Kingdom and Community trade mark registrations. Ms Young states that Mr Cooper would have received notice of the first of these applications on 23 October 2004 at the earliest, 16 days later Almighty applied to register the Moosotonic trade marks.

11) The accounts for Almighty for the period ending 30 September 2004 show Almighty's only assets as being intangible fixed assets with a value of £2,953. It would appear from 1.3 of the accounting policies that these assets are Almighty's trade marks.

Ms Young states that these accounts show that there are no tangible fixed assets, such as plant or machinery, which would be required if Almighty was a dairy, clothing or drinks business.

### **Evidence of Mr Cooper**

12) Mr Cooper states that the purpose of Almighty was to carry on the business of the ownership and marketing of patents and trade marks to Link; exhibited in support of this is the letter referred to at the end of paragraph 9. Mr Cooper states that, however, circumstances change and following the ending of negotiations in mid October 2004, when Link issued proceedings to revoke and invalidate certain of Almighty's trade marks, Almighty has been formulating plans to work with the dairy industry in using the experience of Mr Cooper to enhance the profile of small dairies.

13) Mr Cooper states that Almighty's website was first available on 15 September 2003, which was after July 2003 when Link started negotiations with Mr Cooper. Mr Cooper states, in relation to the setting up of the website:

“The reason being that if one national dairy business was showing an interest then having a website might bring the marks, (all of which had been used within Mark Cooper's family business) to the attention of other companies.”

Mr Cooper states that the website has now been closed down and the ownership of trade mark application no 2354318 has been transferred back to him. Mr Cooper states that only trade marks that have been registered and used have appeared upon the website; this only happened after Link approached him in relation to the purchase of the trade mark MooJuice. He states that all of the trade marks shown upon the website had been used for many years. Mr Cooper states that no trade mark has been offered for sale on the website that has not been used.

14) Mr Cooper states that now that negotiations between Link and Almighty have broken down, he is working with the dairy industry to provide goods within class 29. He states that plans are also well advanced to bring the trade marks Moolicious and Mooshake into use within the catering industry. He states that all trade marks registered by Mr Cooper or owned by Almighty have been used. Mr Cooper states that Link cannot say that the trade mark Moolicious will not be used within the five year time frame in relation to class 35 services. He states that Almighty was set up purely to transfer trade marks that Link wanted to purchase from Mr Cooper. Mr Cooper states that the application for registration of the trade mark Moosotonic by Almighty was an oversight and that once that had been recognised it was transferred back to him. This, he states, took several months because of time spent dealing with the actions brought against the MooJuice trade mark.

15) Mr Cooper states that it was his intention to use the Moolicious and Mooshake trade marks but that Link offered a substantial sum of money to purchase several of Almighty's trade marks. He states that the deal fell through and Link is only opposing registration of

the trade marks Moolicious and Mooshake “because it could potential hinder their own plans”.

16) Mr Cooper states that the Moolicious, Moosotonic and Mooshake trade marks have never appeared upon Almighty’s website.

17) Mr Cooper states that it is his full intent to use the trade marks Moolicious and Mooshake within the diary industry and for advertising services within the period allowed. He confirms that every trade mark registered by him or owned by Almighty has been used.

18) Mr Cooper exhibits copies of correspondence between Almighty/Mr Cooper and Link. A letter dated 20 February 2004 from M R J Newitt of Link states in the penultimate paragraph:

“Para 7 Subsequent to our meeting I suspect that we both realise that we left this point too loose. I had assumed that in return for the £5000 annual fee we had absolute rights to any “MOO” ideas as this is standard practice with an advertising agency or new products consultant. You have assumed that in addition to the fee you would be entitled to a further sum, to be negotiated at the time.”

This is in response to a letter from Mr Cooper dated 11 February 2004 which states:

“7. I will grant Milklink an option of first refusal (purchase or licence or any other method) on any rights I may have in any other “Moo” ideas (eg Moostache) for a period of 5 years. In return for the right you will pay me £5,000.00 a year in advance, with the first payment due on signing the document. We will leave it to the lawyers how best to set out this right.”

### **Evidence in reply of Link**

19) This consists of further witness statements by Ms Young. Ms Young statement does not consist of any new evidence of fact. What she writes is submission and/or a critique of the evidence of Mr Cooper, or repetition of evidence given earlier. Consequently, I will say no more about this evidence in reply.

## DECISION

20) Section 3(6) of the Act states:

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

Section 32(3) of the Act states:

“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.”

21) In *Nonogram Trade Mark* [2001] RPC 21 the hearing officer stated:

“In all the circumstances it seems to me that the applicant for registration at the date of application could not claim to be the proprietor of the trade mark in respect of the goods for which registration was sought and therefore for the reasons set out I believe that their behaviour fell somewhat short of the standards of acceptable commercial behaviour. The application for registration was therefore in my view made in bad faith.

32 I go on to consider whether now that the application has been assigned to Non Ishida the bad faith is cured because she claims to be a bona fide applicant. I do not believe that that is the case. It seems to me that if an application is made in bad faith then its refusal is mandatory (or if it is subsequently registered it must be declared invalid) no matter what the circumstances are following the application having been made because it is at the date of application that matters must be considered.”

His finding clearly derives from the Act and, more importantly, from Article 3.2 of First Council Directive 89/104 of December 21, 1988 (the Directive):

“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:

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

Bad faith has to be considered at the time of the making of the application. Acts afterwards cannot change the fact that an application was made in bad faith; although they may indicate if an application was or was not made in bad faith (see the extract from *Ferrero SpA's Trade Marks* [2004] RPC 29 below).

22) Lindsay J in *Gromax Plasticulture Limited v. Don and Low Nonwovens Ltd* [1999] RPC 167 stated :

“I shall not attempt to define bad faith in this context. Plainly it includes dishonesty and, as I would hold, includes some dealings which fall short of the standard of acceptable commercial behaviour observed by reasonable and experienced men in the particular field 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.”

This finding has become the foundation of the consideration of bad faith in this jurisdiction. Mr Cooper submitted that by using this as the starting point for enquiries one would be substituting the finding for the wording of the law, which Lindsay J specifically warned against. I do not consider that that was what Lindsay J is saying, if he was he would be denying his own finding. My view is that he is saying that his finding cannot be a straitjacket, it cannot be used to confine bad faith or define all potential acts of bad faith. Each case must be considered upon its individual merits and upon the basis of the facts of the case. This is what Sir William Aldous held in *Harrison v Teton Valley Trading Co Ltd* [2005] FSR 10:

“33. The judge applied the statement of Lindsay J in *Gromax* which is cited above paragraph 18. He was right to do so. The words "bad faith" are not apt for definition. They have to be applied to the relevant facts of each case. The test is the combined test and the standard must be that of acceptable commercial behaviour observed by reasonable and experienced persons in the particular commercial area being examined. I stress "acceptable commercial behaviour" to exclude behaviour that may have become prevalent, but which would not upon examination be deemed to be acceptable.”

As can be seen from the quotation above, Sir William Aldous himself approved and applied the statement of Lindsay J. This quotation brings me on to the next matter that has to be settled; on what basis are the actions of an applicant to be judged. Sir William Aldous stated in *Harrison*:

“20 Mr Silverleaf Q.C., who appeared for the applicant, submitted that the words "made in bad faith" required that the application should be made "dishonestly". I reject that submission. If dishonesty was the test then that word would have been used in the 1994 Act and in the Directive. No doubt an application made dishonestly will be made in bad faith, but it does not follow that if dishonesty is not established, bad faith cannot have existed.....

25 Lord Hutton went on to conclude that the true test for dishonesty was the combined test. He said:

"36. ... Therefore I consider ... that your Lordships should state that dishonesty requires knowledge by the defendant that what he was doing would be regarded as dishonest by honest people, although he should not escape a finding of dishonesty because he sets his own standards of honesty and does not regard as dishonest what he knows would offend the normally accepted standards of honest conduct."

26 For my part, I would accept the reasoning of Lord Hutton as applying to considerations of bad faith. The words "bad faith" suggest a mental state. Clearly when considering the question of whether an application to register is made in bad faith all the circumstances will be relevant. However the court must decide whether the knowledge of the applicant was such that his decision to apply for registration would be regarded as in bad faith by persons adopting proper standards.

27 I believe that Mr Silverleaf did, during argument, accept that to be the right test. He accepted that despite his client's belief as to what he had been told by Mr Rymer, the applications would have been made in bad faith if the circumstances were such that an honest person would not have applied for registration without further enquiries. Mr Vanhegan also modified his basic submission during argument. He accepted that an application would be made in bad faith if the applicant knew or ought to have known that somebody else had a better claim. If when he said "ought to have known" he had in mind that the standard was that of persons adopting proper standards, then there may be little of importance between that and the combined test that I have set out above."

There has been some debate as to what is described as the "combined test" was the correct interpretation of the judgment of the House of Lords in *Twinsectra Ltd v Yardley and Others* [2002] UKHL 12. This has now been put to bed by the finding of the Privy Council in (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* Privy Council Appeal No. 38 of 2004. In this judgment Lord Hoffman stated:

"10. The judge stated the law in terms largely derived from the advice of the Board given by Lord Nicholls of Birkenhead in *Royal Brunei Airlines Sdn. Bhd. v Tan* [1995] 2 AC 378. In summary, she said that liability for dishonest assistance requires a dishonest state of mind on the part of the person who assists in a breach of trust. Such a state of mind may consist in knowledge that the transaction is one in which he cannot honestly participate (for example, a misappropriation of other people's money), or it may consist in suspicion combined with a conscious decision not to make inquiries which might result in knowledge: see *Manifest Shipping Co Ltd v Uni-Polaris Insurance Co Ltd* [2003] 1 AC 469. Although a dishonest state of mind is a subjective mental state, the standard by which the law determines whether it is dishonest is objective. If by ordinary standards a defendant's mental state would be characterised as dishonest, it is irrelevant that

the defendant judges by different standards. The Court of Appeal held this to be a correct state of the law and their Lordships agree.....

15. Their Lordships accept that there is an element of ambiguity in these remarks which may have encouraged a belief, expressed in some academic writing, that *Twinsectra* had departed from the law as previously understood and invited inquiry not merely into the defendant's mental state about the nature of the transaction in which he was participating but also into his views about generally acceptable standards of honesty. But they do not consider that this is what Lord Hutton meant. The reference to "what he knows would offend normally accepted standards of honest conduct" meant only that his knowledge of the transaction had to be such as to render his participation contrary to normally acceptable standards of honest conduct. It did not require that he should have had reflections about what those normally acceptable standards were.

16. Similarly in the speech of Lord Hoffmann, the statement (in para 20) that a dishonest state of mind meant "consciousness that one is transgressing ordinary standards of honest behaviour" was in their Lordships' view intended to require consciousness of those elements of the transaction which make participation transgress ordinary standards of honest behaviour. It did not also to require him to have thought about what those standards were.....”

In *Ajit Weekly Trade Mark* [2006] RPC 25 Professor Ruth Annand, sitting as the appointed person, stated:

“41. I believe the parties are agreed that the upshot of the Privy Council decision in *Barlow Clowes* is: (a) to confirm the House of Lords’ test for dishonesty applied in *Twinsectra*, i.e. the combined test; and (b) to resolve any ambiguity in the majority of their Lordships’ statement of that test by making it clear that an enquiry into a defendant’s views as regards normal standards of honesty is not part of the test. The subjective element of the test means that the tribunal must ascertain what the defendant knew about the transaction or other matters in question. It must then be decided whether in the light of that knowledge, the defendant’s conduct is dishonest judged by ordinary standards of honest people, the defendant’s own standards of honesty being irrelevant to the determination of the objective element. I also bear in mind the observations of Lawrence Collins J. in *Daraydan Holdings Ltd v. Solland International Ltd* [2005] 4 All ER 73 at 93 concerning the affirmation of recent decisions of the Privy Council made by serving Law Lords after full argument.”

So the test that is to be applied is that stated, and quoted above, by Sir William Aldous. It is important to note that Sir William Aldous specifically distinguished between behaviour that might be prevalent and behaviour that is acceptable.

23) Mr Cooper referred to the decision of Simon Thorley QC, sitting as the appointed person, in *Royal Enfield* [2002] RPC 24:

“An allegation that a trade mark has been applied for in bad faith is a serious allegation. It is an allegation of a form of commercial fraud. A plea of fraud should not lightly be made (see Lord Denning M.R. in *Associated Leisure v. Associated Newspapers* (1970) 2 QB 450 at 456) and if made should be distinctly alleged and distinctly proved. It is not permissible to leave fraud to be inferred from the facts (see *Davy v. Garrett* (1878) 7 Ch. D. 473 at 489). In my judgement precisely the same considerations apply to an allegation of lack of bad faith made under section 3(6). It should not be made unless it can be fully and properly pleaded and should not be upheld unless it is distinctly proved and this will rarely be possible by a process of inference. Further I do not believe that it is right that an attack based upon section 3(6) should be relied on as an adjunct to a case raised under another section of the Act. If bad faith is being alleged, it should be alleged up front as a primary argument or not at all.”

I do not consider that I can follow the finding of Mr Thorley. The judgment of Lindsay J is binding upon me and he specifically states that bad faith will include behaviour that is not dishonest, and fraud, by its very nature will always be dishonest (also bad faith is not just about fraud). In *Barlow Clowes* Lord Hoffman stated:

“26.....Since there is no window into another mind, the only way to form a view on these matters is to draw inferences from what Mr Henwood knew, said and did, both then and later, including what he said in evidence. That is what the judge did and it is hard to see what other method could have been adopted.”

So inference is something that can be used to make a finding, Lord Hoffman considered it the only way that the actions of Mr Henwood could be seen. It is also to be taken into account that Link made its claim re bad faith up front and as the only basis for its case, it is not an adjunct. There is a deal of difference between conjecture and inference as per *Jones v Great Western Railway Company* [1930] 144 LT194 at page 202:

“The dividing line between conjecture and inference is often a very difficult one to draw. A conjecture may be plausible but it is of no legal value, for its essence is that it is a mere guess. An inference in the legal sense, on the other hand, is a deduction from the evidence, and if it is a reasonable deduction it may have the validity of legal proof.”

24) There has been some debate as to whether section 32(3) is outwith the Directive. Neuberger J certainly had his doubts in *Knoll AG's Trade Mark* [2003] RPC 10:

“33 Fourthly, there is force in Mr Campbell's submission that one must be a little careful about founding a conclusion of bad faith, for the purposes of s.3(6), on the basis of a statement made as a result of the requirements of s.32(3), of the 1994 Act. As I have mentioned, as a matter of basic EC law, the UK is bound to give effect to the Directive. While, as I have also mentioned, s.3(6) of the 1994 Act derives from, and is consistent with, Art.3(2)(d) of the Directive, there is no equivalent to s.32(3) of the 1994 Act in the Directive, as Jacob J. pointed out in

La Mer Technology Inc. v Laboratories Goemar [2001] All E.R. 296 at para.19(e). Accordingly, as Jacob J. went on to explain, OHIM "are quite content to permit ... very wide specifications."

The legality of section 32(3) of the Act is not something that can be considered in opposition proceedings. It is a matter for other fora. I can only deal with the law as it is and section 32(3) forms part of that law.

25) The consideration of section 32(3) of the Act and its effect in relation to section 3(6) of the Act was dealt with in great detail by Mr David Kitchin QC, sitting as the appointed person, in *Ferrero SpA's Trade Marks* [2004] RPC 29:

"12 Section 3(6) of the Act states that:

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

Bad faith must therefore be established as at the date of the application. Nevertheless I do not believe this excludes from consideration matters which have occurred after the date of the application. They may well assist in determining the state of mind of the applicant at the date of the application. In the present case the hearing officer certainly did take into consideration matters which fell after the relevant filing dates. In particular he took into account the extent to which the registered proprietors had filed applications for trade marks comprising the word KINDER, the period of time over which the applications had been filed and the extent to which they had been put into actual use. I believe those were all relevant matters to consider in assessing the state of mind of the registered proprietors at the dates of the applications in issue. It is also true that the hearing officer did not consider each of the applications separately. Nevertheless I think it is clear that he did consider the state of mind of the registered proprietors over the whole period (1990 to 1994) that the applications were made. Accordingly I do not accept that the hearing officer fell into error in the manner suggested.....

20 In *DEMON ALE Trade Mark* [2000] R.P.C. 345 Mr Hobbs Q.C., sitting as the Appointed Person, considered s.3(6) in the context of a lack of a bona fide intention to use a mark. He cited the passage from the judgment of Lindsay J. and continued (at p.356):

"These observations recognise that the expression 'bad faith' has moral overtones which appear to make it possible for an application for registration to be rendered invalid under section 3(6) by behaviour which otherwise involves no breach of any duty, obligation, prohibition or requirement that is legally binding upon the applicant. Quite how far the concept of 'bad faith' can or should be taken consistently with its Community origins in Article 3(2)(d) of the Directive is a matter upon which the guidance of the European Court of Justice seems likely to be

required: *Roadtech Computer Systems Ltd v Unison Software (UK) Ltd* [1996] F.S.R. 805 at pages 817, 818 *per* Robert Walker J. In the present case the objection under section 3(6) related to the applicant's breach of a statutory requirement. Section 32(3) of the Act required him to be a person who could truthfully claim to have a bona fide intention that DEMON ALE should be used (by him or with his consent) as a trade mark for beer. His application for registration included a claim to that effect. However he had no such intention and could not truthfully claim that he did. That was enough, in my view, to justify rejection of his application under section 3(6). I see no reason to doubt that section 32(3) is compatible with Community law. The 8th recital to the Directive specifically confirms that 'in order to reduce the total number of trade marks registered and protected in the Community ... it is essential to require that registered trade marks must actually be used or, if not used, be subject to revocation'. I am satisfied that this is not a case which tests the limits of section 3(6) of the Act (Article 392)(d) of the Directive) from the point of view of Community law."

21 More recently, in *LABORATOIRE DE LA MER Trade Marks* [2002] F.S.R. 51, Jacob J. said, at para.[19], in considering the meaning of "genuine use":

"The wider the specifications of goods or services permitted by the registration authorities, the greater the extent of the problem of unused marks. In practice there is likely to be a greater problem caused by wide specifications in the case of Community marks than in the case of, at least, UK marks. For UK registrations, the application form (TM3) requires the applicant or his agent to say:

'The trade mark is being used by the applicant or with his or her consent, in relation to the goods or services stated, or there is a bona fide intention that it will be so used.'

If that statement is untrue then it seems fairly plain that the registration is vulnerable to an attack as one made in bad faith (section 3(6) of the UK Act implementing Article 3(2)(d) of the Directive). There is no such requirement in the case of Community Trade Mark applications (see the requirements for the content of the application in rule 1 of the Implementing Regulation 2868/95). An applicant for a CTM does not expressly have to say he uses or intends to use the mark applied for. So, unless the mere making of an application is taken as an implicit statement of intention to use, then a bad faith attack based on any lack of intention to use (under Article 51(1)(b) of Regulation 40/94) may fail. The First Cancellation Division of OHIM so held in *Trillium Trade Mark* (Case C000053447/1, March 28, 2000). The decision is not particularly satisfactory (see the criticisms in *Kerly's Law of Trade Marks and Trade Names* (13th ed.) at para.7-230). If it is right, however, there is simply no deterrent to applicants seeking very wide specifications of goods or services for CTMs--with all the

greater potential for conflict that may give rise to. I understand that in practice OHIM are quite content to admit such very wide specifications--indeed often all the goods or services within a class are asked for and granted. The Trillium point will undoubtedly come up again--for it seems bizarre to allow a man to register a mark when he has no intention whatever of using it. Why should one have to wait until five years from the date of registration before anything can be done? Whatever the width of the 'umbra' of the specification, it should also be remembered that the holder's rights to stop infringement or prevent registration of a later similar mark extend to the 'penumbra' of 'similar goods' (section 10(2) of the UK Act, Article 5(1)(b) of the Directive and Article 9(1)(b) of the Regulation). A wide umbra means there is an even wider penumbra. Other traders with a similar mark may not go into either the umbra or the penumbra, whether by use or registration."

22 It was submitted on behalf of the registered proprietors that it is a nonsense to differentiate between the Directive and the Regulation, because they are both part of a scheme to harmonise trade mark law throughout the Community and that what applies under the Regulation ought to apply equally under the Act. I was therefore invited to follow TRILLIUM and to conclude that bad faith requires actual dishonesty.

23 I am unable to accept these submissions. Gromax makes it clear that bad faith is not limited to cases involving actual dishonesty and includes some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the area being examined. Section 32(3) of the Act requires an applicant for registration to state that the trade mark in issue is being used by the applicant with his consent in relation to the goods or services in relation to which it is sought to be registered, or that the applicant has a bona fide intention that it should be so used. In so far as the applicant makes a materially false statement in this regard then I believe that the application is made in bad faith. This was clearly the view of Jacob J. in DE LA MER, and he evidently had well in mind the difference in approach of OHIM as revealed by TRILLIUM.

24 It is convenient at this point to deal with the further submission made by the registered proprietors that s.32(3) of the Act is *ultra vires* in that it seeks to impose an improper restriction on the term "bad faith" as it is used in s.3(6) of the Act. I do not accept this submission. It is indeed true that there is no equivalent of s.32(3) of the 1994 Act in the Directive but nevertheless, like Mr Hobbs Q.C. in DEMON ALE, I see no reason to doubt that s.32(3) is compatible with Community law. On the contrary, the Eighth Recital of the Directive expressly recognises the public interest in requiring that registered trade marks must actually be used. The same public interest was recognised by Jacob J. in clear terms in DE LA MER."

I will conform to the position adopted by Mr Kitchin. So an application made contrary to section 32(3) of the Act is to be treated as being made in bad faith and so contrary to section 3(6) of the Act.

26) It is necessary to establish what use or intention to use in relation to goods and services means. Firstly and obviously it relates to the use in relation to the goods and/or services listed. Next it must mean trade mark use, which of its nature relate to the essential function of a trade mark. This essential function of a trade mark has been defined on various occasions by the European Court of Justice (the ECJ) eg *The Gillette Company, Gillette Group Finland Oy v LA-Laboratories Ltd Oy* C-228/03 [2005] ETMR 67 and *Henkel KGaA v Deutsches Patent – und Markenamt* C-218/01 [2005] ETMR 45. In the former case the ECJ stated:

“26 In that context, the essential function of a trade mark is to guarantee the identity of origin of the marked goods or services to the consumer or end user by enabling him, without any possibility of confusion, to distinguish the goods or services from others which have another origin. For the trade mark to be able to fulfil its essential role in the system of undistorted competition which the Treaty seeks to establish and maintain, it must offer a guarantee that all the goods or services bearing it have been manufactured or supplied under the control of a single undertaking which is responsible for their quality (see, in particular, Case 102/77 *Hoffman-La Roche* [1978] ECR 1139, paragraph 7, Case C-299/99 *Philips* [2002] ECR I-5475, paragraph 30, and *Arsenal Football Club*, paragraph 48).”

In completing a trade mark application form an applicant signs the following stating, in order to comply with section 32(3) of the Act:

“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.”

By making this statement, the signatory is stating that he or she, at the date of application the trade mark is being used to guarantee the identity of origin of the marked goods or services or will be; whether by the applicant or with his or her consent. If, as of the date of application, an applicant shows use of the trade mark for the goods and/or services claimed then grounds of opposition must fail. The fact of use disproves the claim. The matter is different where no use has been shown; then the evidence must be considered to show what light it throws on the intention of the applicant.

27) Mr Chacksfield, relying upon *Ferrero*, submitted that the proper approach to the issues in this case was for Link to adduce evidence to raise a prima facie case that the application was made in bad faith, satisfying its legal burden. An evidential burden then falls upon the applicant to rebut the case of the opponent. Mr Cooper submitted that it was necessary for the Link to prove that there had not been any use as of the date of application or any intention to use. He submitted that Link had to prove a negative. This does not appear to me to be the position taken by Mr Kitchin in *Ferrero*. It seems to me,

bearing in mind the findings in *Ferrero*, that Mr Chacksfield's proposition is preferred, if with a slight modification. In *Ferrero* Mr Kitchin offers at paragraph 9 an alternative to evidence, he speaks of "an explanation to counter the prima facie case established by the applicants". There might well be difficulties in showing an intention to use, especially in the case of individuals or small undertakings who may well not keep minutes of meetings or indeed put many things in writing. I am of the view that once a prima facie case has been established then there is a question to be posed and considered. The answer to that question will depend upon the evidence of the opponent and that of the applicant and the explanation of the applicant.

28) Two of the applications were made in Mr Cooper's name, the third was made in the name of Almighty. The first two applications were assigned to Almighty. All three trade applications were then assigned to Mr Cooper. The evidence shows that Almighty was a vehicle for Mr Cooper, he was the controlling mind behind it. He could transfer trade mark applications into Almighty and out of Almighty.

29) Part of the case of Link revolves around what Mr Cooper did in relation to other trade marks that he or Almighty owned. The matters described in paragraph 8 of the evidence summary show that the purpose of Almighty was to sell or licence trade marks. Almighty is described as a marketing organisation. The primary purpose of it, according to its memorandum of association, is to "carry on the ownership and marketing of patterns and trade marks". Thirteen trade mark registrations and matching domain names were being offered for sale by Mr Cooper/Almighty. Mr Cooper says that the purpose of Almighty was to carry out the business of ownership and marketing of patents and trade marks to Link. However, most of the trade marks advertised were of no interest to Link; they had, however, been transferred into the ownership of Almighty, and prior to the breakdown of negotiations between Link and Mr Cooper. So the evidence contradicts the statement that Almighty was set up with the purpose of selling trade marks to Link. I cannot see how its purpose can be seen to be any other than to sell trade marks, in the name of Almighty, to any person or undertaking.

30) Mr Cooper states that only registered trade marks were offered for sale on the website, and so, not the trade marks the subject of these applications. However, all three trade mark applications were at one time in the name of Almighty. Almighty's purpose was to sell trade marks, so it would seem a reasonable deduction that the trade mark applications were for sale. Indeed negotiations were taking place between Link and Mr Cooper in relation to the sale of the MOOLICIOUS and MOOSHAKE trade marks.

31) Mr Cooper states that all of the trade marks shown upon the website had been used for many years. However, no evidence has been adduced to substantiate the claim. At the hearing Mr Cooper stated that he did not realise that such substantiation would be required. It seems to me that if there had been use, and use over many years, it would be logical and easy to furnish evidence of such use. The evidence in reply of Ms Young would also have put him on notice of the deficiencies in his evidence. She states that "Mr Cooper has produced no evidence in support of his submission that he only offers trade marks for sale or licence that have been used". She also states that he has produced no

evidence of his intention to use the trade marks. Link, potentially to its own detriment, clearly flagged the deficiencies in Mr Cooper's evidence. It is a fact that there is an absence of evidence of use of any of Mr Cooper's/Almighty's trade marks. Link put the issue before Mr Cooper and he failed to respond.

32) I am left with other questions about the claimed use. If the trade marks have or are being used, it seems odd that they can be sold "off the shelf". The trade marks would be linked to a business. What happens to the business? If one sells trade marks that have been used, it is normal to include the goodwill of the business associated with the trade marks. (In the context of this case I do not consider it necessary to venture into the area of assignment in gross.) There is no indication from the websites that any goodwill is being sold with the trade marks. Of course, it could be that what Mr Cooper considers use is not trade mark use. The evidence, or its absence, does not allow Link, or me to know. Mr Cooper also refers to licensing. Licensing of its nature requires agreements, there is no evidence of agreements, whether specimen or actual.

33) For an individual, Mr Cooper owns a large number of trade marks. As he states that they have been all been used for some time one would expect a fairly substantial business. However, no accounts have been proffered showing the size and nature of the business. There is no indication of the facilities that he has to make use of the trade marks that he states he has used. Even if one is a dairy farmer it does not mean that one has the facilities to produce dairy goods, including added value goods. A dairy farmer is quite likely to produce just bulk milk. The registered trade marks include clothing at large and advertising. There is no indication as to how Mr Cooper has arranged for the manufacture of clothing, or licensing of his trade marks in relation to clothing. Equally there is not the slightest hint of how he has supplied advertising services.

34) Mr Cooper states that the application for MOOSOTONIC showing Almighty as the owner was an error. This seems a major error, taking into account that he states that Almighty was set up in relation to the sale of trade marks to Link and negotiations with Link had broken down some time before the date of application. The application was made in the name of an undertaking which was selling trade marks, even if this particular trade mark was not included on the website, not being a registered trade mark.

35) Mr Cooper speaks of a grace period for use of the trade marks, the five years from completion of a registration before an action for revocation for non-use can be launched. However, this does not have a bearing upon the case presented by Link. It is not a matter of what might happen at some later date but what the position was at the date of application. He comments that circumstances change; indeed they do, but changes in circumstances do not effect the questions in issue here. *Nonogram* makes it clear that subsequent behaviour cannot purge the act of bad faith.

36) In his counterstatements Mr Cooper states that it is his full intention to use the trade marks. This is as of the date of the counterstatements, he does not state that this was the intention at the dates of application. I note this, rather than give it any great importance of itself, as this could merely reflect an infelicitous use of language.

37) One page from the purewhitegenius website shows Mr Cooper wearing a t-shirt bearing the words MOO JUICE, MOO donna and PURE NATURAL GENIUS. This was downloaded on 19 May 2005, and so long after the dates of application, and after the proceedings had been launched. It does not tell me about the situation at the dates of application. The use does not indicate trade mark use anyway; all it shows is the application of three trade marks to a t-shirt. It could be a promotional tool for the selling of the trade marks.

38) In Mr Cooper's letter of 11 February he refers to his thinking up further Moo ideas for a period of five years. It seems from this that he is offering the sale of trade marks that he has devised.

39) The evidence draws me to the conclusion that Mr Cooper thinks up ideas for the names of trade marks in relation to the dairy industry and then wishes to profit from his creative skills in devising the trade marks. He applies to register the trade marks in order to be able to sell his creations and so profit from his creative skills. So, he is trafficking in trade marks. At the dates of application he was neither using the trade marks the subject of the applications, nor were they being used with his consent, nor did he have a bona fide intention to use them. Of course, I infer this from the evidence since, in the words of Lord Hoffman, I do not have a window into his mind.

40) Even if I am wrong in the specific deduction as to Mr Cooper's motivation, I consider that Link has established a prima facie case in relation to use and intention to use. Mr Cooper does not claim that the trade marks the subject of the applications have been used. The pattern of past behaviour, the evidence from his websites and his willingness to sell two of the applications, the two which were of interest to Link, indicate to me that there was no genuine intention to use the trade marks.

41) I do not consider that the situation varies between the applications despite variations in the facts relating to them, different dates of applications and two being for sale. Of course, mistake or not, the later trade mark being in the name of Almighty was, owing to the nature and purpose of the owner, for sale.

42) In these proceedings Mr Cooper has denied that he did not intend to use the trade marks, whether directly or through a licensee. He has made no claim that he did not understand when signing the application forms that use meant use in a trade mark sense; not merely use by selling on for a third party to use. He has insisted that he had intended to use the trade marks. So he cannot claim that his act was not in bad faith owing to ignorance of what exactly he was signing up to. An applicant anyway has a duty to be make himself aware of what he is signing up to, he is making a decision to apply for a statutory monopoly and can be expected to make himself au fait as to what he is committing himself to in making the application. So even if ignorance had been pleaded this would not have assisted Mr Cooper.

**43) I find that the applications were made in contravention of section 32(3) of the Act and, in consequence, were made in bad faith and in contravention of section 3(6) of the Act. All three applications are to be refused.**

#### **COSTS**

44) Milk Link Limited having been successful is entitled to a contribution towards its costs. Mr Chacksfield submitted that, despite the late consolidation of the cases, that costs should accrue separately to each case and to the maximum of the scale. The statement of grounds were short and effectively identical. The evidence was the same in two cases and very similar in the third. None of the evidence in reply was actually evidence in reply. The amount of evidence was not particularly extensive and would have been easily accessible owing to the previous relationship between the sides. I have decided, therefore, that the costs should be as follows:

Opposition fees x 3	£600
Statements of grounds	£300
Evidence of opponent	£500
Considering evidence of applicant	£250
Evidence in reply	£0
Preparation and attendance at hearing	£1,000
Total	£2650

**I order Mark David Cooper to pay Milk Link Limited the sum of £2,650. 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 28th day of November 2006**

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