

O/345/19

TRADE MARKS ACT 1994

TRADE MARK REGISTRATION No.3160229

IN THE NAME OF CP MANAGEMENT LONDON LTD

AND

APPLICATION No. 502016

BY MS FERNE McCANN

FOR THE TRADE MARK REGISTRATION TO BE DECLARED INVALID

Background and pleadings

1. This is an application dated 19th March 2018 by Ms Ferne McCann (“the applicant”) to invalidate trade mark registration 3160229 - **FERNE** and **FERNE BEAUTY**. These marks are registered as a series of two in the name of CP Management London Limited (“the proprietor”). This follows an application for registration filed on 19th April 2016 (“the relevant date”).

2. The trade marks are registered in relation to a range of toilet preparations, cosmetics, tanning products and fragrances in class 3, retail services relating to the same goods in class 35 and beauty care services, including tanning services, in class 44. A full list of the goods/services is at annex A.

3. The applicant claims that she is a very well-known celebrity. As such she had acquired a protectable goodwill in the UK by the relevant date in relation to:

“Beauty products; clothing; social media accounts; TV presenting and TV show; magazine columns; books; YouTube channel relating to various sectors, i.e. food, fashion films.”

4. She claims that:

- (i) FERNE and FERNE MCCANN were, at the relevant date, distinctive of her goodwill;
- (ii) Use of the contested marks without her consent constitutes a misrepresentation to the public, which takes unfair advantage of, and causes damage to, her goodwill;
- (iii) The applicant and the proprietor were party to an Endorsement Agreement (“EA”) at the relevant date;
- (iv) This gave the proprietor a licence to use her name, image and likeness to promote self-tanning products;
- (v) At the relevant date, the proprietor was merely an agent or representative of the applicant;
- (vi) The proprietor terminated the EA on 10th January 2017;

- (vii) The proprietor did not have the applicant's permission to register the contested trade marks;
- (viii) The application was therefore filed in bad faith.

5. The applicant therefore claims that registration of the marks was contrary to ss.3(6), 5(4)(a) and 60(3) of the Trade Marks Act 1994 ("the Act") and should be declared invalid under s.47(1) and/or (2) of the Act.

6. The proprietor filed a counterstatement denying the grounds for invalidation. I note that the proprietor:

- (i) Denies that FERNE or FERNE BEAUTY were distinctive of the applicant at the relevant date;
- (ii) Admits that an EA existed between the parties;
- (iii) Denies that this was nothing more than a licence or that the proprietor was the agent or representative of the applicant;
- (iv) Claims that clause 9.1 of the EA vested all intellectual property rights, (including goodwill) in the products created or developed under the EA with the proprietor;
- (v) Claims that it is the rightful owner of the contested marks.

7. Both sides seek an award of costs.

Representation

8. The applicant is represented by Hansel Henson Limited. The proprietor is represented by Murgitroyd & Co. A hearing took place on 15th April 2019. Mr Michael Edenborough QC appeared as counsel for the applicant. Mr Benet Brandreth QC appeared as counsel for the proprietor.

The evidence

9. The applicant's evidence consists of two witness statements by Ms McCann. The second of these was in reply to the proprietor's evidence. The proprietor's evidence

consists of a witness statement by Mr Suleyman Suleyman. Mr Suleyman is a director of the proprietor. I have read all the evidence. The following records the most pertinent parts of it.

10. Ms McCann's evidence is that she appeared in 110 episodes of the reality TV show called 'The Only Way is Essex' ("TOWIE") between June 2013 and around March 2015. During this period, the show had average viewing figures of 1.5 million. Ms McCann says that her forename – FERNE – appeared on screen each time she came on screen.

11. Printouts of YouTube clips and interviews from TOWIE are in evidence in which Ms McCann is referred to as Ferne or Ferne McCann¹.

12. During her time on TOWIE, Ms McCann had a column in Star magazine (a weekly celebrity magazine) entitled 'The Only Way is Ferne'. According to Ms McCann, during 2013 – 2016 she featured regularly in other magazines and newspapers, including Now, New and Heat. She provides some examples². Ms McCann often appeared on the front covers. Her forename – FERNE – was often used, usually alongside her picture or full name. Sometimes she was referred to as 'Towie's Ferne'.

13. Ms McCann has Instagram, Facebook and Twitter accounts, each in the name of fernemccann³. By July 2018, Ms McCann had 2.1 million followers on Instagram.

14. In February 2015, Ms McCann launched a website at fernemccann.co.uk⁴. She uses it to promote styling, beauty and eating out guides.

15. According to Ms McCann, part of her business as a celebrity is endorsing products, particularly in the fields of beauty products, fashion and food. She provides

¹ See exhibit 6 to Ferne McCann 1

² See exhibit 1 to Ferne McCann 1

³ See exhibit 2 to Ferne McCann 1

⁴ See exhibit 12 to Ferne McCann 1

some examples of her name being used to promote third party products⁵. These include:

- (i) Being the 'face of' Lasula Boutique in 2013/14;
- (ii) Promoting Cocoa Brown Fake Tan on her Instagram account in February 2014;
- (iii) *"In 2015, under a licensing agreement with Ferne the LOTD by Ferne Collection clothing collection was launched and made available to the public⁶."*

16. An article on the website Licensing.biz in October 2014 recorded that Ms McCann was looking to establish licensing partnerships. The article was entitled *"TOWIE'S Ferne McCann on launching her own brand."*

17. Ms McCann appeared on the show 'I'm a celebrity get me out of Here!' which was broadcast between 15th November and 9th December 2015. The show attracted 15 million viewers per night. Ms McCann came third. When it came to the public vote, a number appeared on screen in the format 'to vote FERNE call....'. Ms McCann provides⁷:

- (i) Copies of magazine articles from New and Star in 2015 referring to her as Ferne (although always in association with other references to her as Ferne McCann);
- (ii) A picture of the t-shirt she wore in the jungle showing her name as FERNE along with the telephone number for the public to vote for her;
- (iii) A copy of a webpage from BT's website recording that *"I'm A Celebrity's Ferne, Vicky and Jorgie showed off their bikinis in the*

⁵ See exhibit 4 to Ferne McCann1

⁶ It is not clear exactly what this means. There is no relevant licence in evidence. There is a picture of Ms McCann and another TOWIE star called Lauren Pope standing in front of a promotional display on 27th May 2015 (see page 88 of the evidence). The display carries the names LOTD and Ferne. The caption under the picture indicates that this was part of the launch of Look Of The Day Fashion at a location in London. There are no examples of clothing branded FERNE in evidence, although there is a picture of Ms McCann wearing and promoting clothing for LOTD (see pages 90 and 92 of the evidence).

⁷ See exhibit 11 of Ferne McCann 1

jungle” (the celebrities full names and pictures appeared in the body of the article).

- (iv) A print out of YouTube clips from the show in which Ms McCann is referred to as Ferne or Ferne McCann.

18. According to Ms McCann, her celebrity status extends to Ireland. The ‘By Caprice’ and Lasula clothing products she endorsed were sold there. Her appearance on ‘I’m a Celebrity Get Me Out of Here!’ was broadcast there, as was TOWIE.

19. Between January 2016 and April 2017 Ms McCann says that she worked as a TV presenter, alongside Holly Willoughby and Philip Schofield, for ITV’s morning programme ‘This Morning’.

20. Ms McCann says that in early 2016 she was asked to promote fake tan company Bondi Sands. This involved posting on her social media accounts for 2 months. A copy of an associated press article from OK! Magazine is in evidence⁸. It is dated 24th March 2016. It shows a picture of Ms McCann in a bikini next to a bottle of Bondi Sands self-tanning lotion. The associated text uses Ms McCann’s full name and describes her as a former star of TOWIE.

21. Around the same time Ms McCann made her debut in musical theatre when she appeared in the London production of Gatsby. The Mail Online referred to her as ‘TOWIE’s Ferne McCann’⁹.

22. Ms McCann is also an author. She wrote ‘Cross my Heart’ by Ferne McCann, which became a top 10 best seller¹⁰.

23. Ms McCann says that she was approached by the proprietor in January 2016 to endorse and promote a range of tanning products. The EA was agreed in February

⁸ See exhibit 15 to Ferne McCann 1

⁹ See exhibit 16 to Ferne McCann 1

¹⁰ See exhibit 13 to Ferne McCann 1

2016. A copy of it is in evidence¹¹. According to Ms McCann, the proprietor terminated the EA in February 2017. The proprietor told her that this was because the products were not selling.

24. However, Ms McCann claims that the proprietor is still using her name to promote its tanning range. In this connection, she exhibits images from Instagram dated 4th April 2017, 12th May 2017, 4th March 2018 and 13th March 2018¹². According to Ms McCann, these show that the public are confused into thinking that the proprietor's Ferne Beauty range is still associated with her. The first of these is an Instagram post by beauty HQ. The post says, "*Tan developing nicely.*" This is followed by 19 hashtags, two of which are #fernemccann and #fernebeauty. The second post is an Instagram post by the 'special touch beauty salon', which describes itself as an official stockist of Ferne Beauty tanning products. It shows a picture of a FERNE Beauty product. #fernemccann is used as one of a number of hashtags. The third post, dated 4th March 2018, appears to be from a member of the public who used Ferne Beauty. This person appears to have linked it to Ferne McCann by using a corresponding hashtag. The fourth post, dated 13th March 2018, is similar to the second post. It is from the Instagram account of Lush by Design Limited.

25. The same exhibit includes an example of another third party – Riding Waves – advertising what it calls a 'Ferne McCann Bronzing lotion' on Amazon in 2018. A picture of the product is included. It shows that the product and its packaging bore the brand FERNE in association with a device of a fern leaf. The product does not carry Ms McCann's name or her picture. Finally, a trader called Tan-tone advertised a 'Ferne Beauty Gift Set' and 'Deep Glow Bronzing Mousse' on eBay in June 2018. A picture of the product shows that the branding again corresponded with this description. However, lower on the same page the same party listed a 'Ferne McCann' brand bronzing product (emphasis added), which it described as 'new'. A picture of this product is also shown¹³. This product carried the brand FERNE, but

¹¹ See exhibit 18 to Ferne McCann 1

¹² See exhibit 20 to Ferne McCann1

¹³ See page 240 of the evidence

unlike the products mentioned above, it also bore the words “*by Ferne McCann*” together with a picture of Ms McCann.

26. As a result of clarification I requested at the hearing, it is now common ground that the last product mentioned in the previous paragraph is consistent with the branding used during the term of the EA. I infer from this that the other pictures show the tanning product marketed by the proprietor after the EA was terminated. This suggests that the last product shown in exhibit 20 to Ferne McCann 1, although described as ‘new’ on eBay, was in fact old stock.

27. Ms McCann says that she only found out that the proprietor had registered FERNE as a trade mark on 9th March 2018. She now endorses a range of beauty products sold by Poundland under the brand Ferne. The associated publicity makes it clear that these products are endorsed by Ms McCann¹⁴.

28. Mr Suleyman evidence is that the proprietor was set up by himself and Mr Nevzat Hakem in January 2016 to make and sell beauty products. Mr Hakem is responsible for product development and manufacture. Mr Suleyman takes care of the business side of things. Mr Hakem was introduced to Ms McCann by a PR and management company. It subsequently had discussions with the applicant which led to the EA. The company invested £40k bringing the FERNE self-tanning product to market.

29. According to Mr Suleyman, the EA permitted the proprietor to register the contested marks.

30. Mr Suleyman says that it became clear that Ms McCann’s endorsement of FERNE BEAUTY tanning products was not working. The proprietor was losing money because the products were not selling. Consequently, the proprietor changed its sales approach. It ceased using Ms McCann’s image, changed its website and made the quality of the ingredients the focus of the FERNE brand.

¹⁴ See exhibit 24 Ferne McCann 1

31. As to the continued association on social media sites between FERNE tanning products and Ms McCann, Mr Suleyman points out that the proprietor cannot control inappropriate uses of hashtags by third parties. However, he says that it has no wish to associate the FERNE brand with Ms McCann. In fact, sales of the product have grown considerably since the EA was terminated.

32. Mr Suleyman says that the dispute with Ms McCann began when she became associated with products for sale in Poundland, which sells most of its goods for £1. These products were being marketed under the brand name FERNE and with the endorsement of Ms McCann. Following legal communications, Poundland rebranded its products to FERNE McCANN. According to Mr Suleyman, this brand is of no interest to the proprietor.

The applicant's goodwill at the relevant date

33. Ms McCann does not make or sell beauty products or similar goods or services. However, the proprietor accepts that the applicant had a protectable goodwill at the relevant date as a celebrity and that she was in a position to endorse beauty products, including tanning products. In my view, this concession was correctly made and accurately reflects the factual position at the relevant date.

Was FERNE distinctive of the applicant's goodwill?

34. The applicant case is that, prior to the relevant date, the applicant had been widely referred to in the media and on social media as FERNE. Consequently, she was known by that name. The unusual way that Ms McCann's forename is spelt – with an E at the end – is said to assist the public to distinguish her from other people with the given name FERN.

35. The proprietor's case is that FERNE alone was not distinctive of Ms McCann at the relevant date. Counsel for the proprietor pointed out in his skeleton argument, and at the hearing, that all the media references in the evidence to Ms McCann as FERNE were made in a context where the identity of the applicant was evident. This

was either because of an accompanying reference to Ferne McCann, and/or a picture of Ms McCann, and/or a reference to TOWIE or TOWIE'S (Ferne).

36. In response to Mr Brandreth's challenge to identify any use of FERNE alone to identify the applicant, Mr Edenborough drew my attention to pages 79 and 88 of the evidence. These are pictures of Ms McCann and another TOWIE star called Lauren Pope standing in front of a display for LOTD (Look Of The Day Fashion) in 2015. The name FERNE appears on the background promotional display board without 'McCann' or a picture of the applicant (or TOWIE).

37. LOTD appears to be a seller of clothing. Although there is no relevant licence or agreement in evidence, the applicant appears to have undertaken promotional activity on behalf of LOTD. It is true that the name FERNE appears on the promotional display shown in the evidence without additional matter identifying Ms McCann. However, Ms McCann was clearly present at the event. She and Ms Pope posed in front of the LOTD display. Therefore, who 'FERNE' was would have been clear to anyone at the event or looking at these pictures. I do not therefore regard this as strong evidence that FERNE alone was distinctive of the applicant at the relevant date.

38. Looking at the evidence as a whole, it is clear that the applicant is known as FERNE McCANN. This is not a case like Madonna, Elvis or Rihanna, where a celebrity is widely identified by just their given name or one-word stage name. Mr Edenborough relied on the unusual spelling of Ms McCann's forename. I accept that this is relevant, but I do not think the evidence shows that the public rely on this to distinguish Ms McCann from other well-known people, such as FERN COTTON. Rather the weight of the evidence is that other indicia, such as the applicant's surname and/or picture, serve to distinguish the applicant as a celebrity from other people.

39. I recognise that the proprietor's use of FERNE as a brand for its tanning product, in association with the applicant's full name and picture, had the potential to educate the public that FERNE was distinctive of the applicant. However, there is very limited evidence about the scale of such use. Indeed, the proprietor's evidence is that the

product did not sell well during the term of the EA. In these circumstances, I do not consider that the use of FERNE as a brand had the effect of educating a substantial number of the public that FERNE by itself was distinctive of the applicant, even without accompanying references to “by Ferne McCann” and/or a picture of the applicant.

40. I conclude that FERNE alone was not distinctive of the applicant’s goodwill at the relevant date.

Interpretation of Endorsement Agreement

41. The law in relation to the interpretation of agreements is well established. In *Investors Compensation Scheme Ltd v West Bromwich Building Society*¹⁵ Lord Hoffman summarised the relevant principles as follows:

“(1) Interpretation is the ascertainment of the meaning which the document would convey to a reasonable person having all the background knowledge which would reasonably have been available to the parties in the situation in which they were at the time of the contract.

(2) The background was famously referred to by Lord Wilberforce as the "matrix of fact," but this phrase is, if anything, an understated description of what the background may include. Subject to the requirement that it should have been reasonably available to the parties and to the exception to be mentioned next, it includes absolutely anything which would have affected the way in which the language of the document would have been understood by a reasonable man.

(3) The law excludes from the admissible background the previous negotiations of the parties and their declarations of subjective intent. They are admissible only in an action for rectification. The law makes this distinction for reasons of practical policy and, in this respect only, legal

¹⁵ [1998] 1 WLR 896

interpretation differs from the way we would interpret utterances in ordinary life. The boundaries of this exception are in some respects unclear. But this is not the occasion on which to explore them.

(4) The meaning which a document (or any other utterance) would convey to a reasonable man is not the same thing as the meaning of its words. The meaning of words is a matter of dictionaries and grammars; the meaning of the document is what the parties using those words against the relevant background would reasonably have been understood to mean. The background may not merely enable the reasonable man to choose between the possible meanings of words which are ambiguous but even (as occasionally happens in ordinary life) to conclude that the parties must, for whatever reason, have used the wrong words or syntax. (see *Mannai Investments Co. Ltd. v. Eagle Star Life Assurance Co. Ltd.* [1997] 2 W.L.R. 945

(5) The "rule" that words should be given their "natural and ordinary meaning" reflects the common sense proposition that we do not easily accept that people have made linguistic mistakes, particularly in formal documents. On the other hand, if one would nevertheless conclude from the background that something must have gone wrong with the language, the law does not require judges to attribute to the parties an intention which they plainly could not have had. Lord Diplock made this point more vigorously when he said in *The Antaios Compania Neviera S.A. v. Salen Rederierna A.B.* 19851 A.C. 191, 201:

". . . if detailed semantic and syntactical analysis of words in a commercial contract is going to lead to a conclusion that flouts business commonsense, it must be made to yield to business commonsense."

The agreement

42. In the EA the applicant is called the 'Personality'. The proprietor is called 'the company'.

43. Clause 1.1 of the EA defines 'Brand' as *"the name of the brand, as notified by the company to the Personality and the Agent, in respect of which it manufactures, promotes, distributes and sells the products."* It is common ground that the proprietor proposed the brand FERNE during the term of the EA and that this was agreed by the applicant.

44 'Endorsements' is defined as *"the name, image, likeness, autograph and/or photograph and other endorsements of the Personality as the parties may agree during the term of this agreement."* It could therefore cover FERNE, if that is the 'name' of the applicant or the use of that word indicates the applicant's endorsement of the licensed products.

45. 'Products' is defined as *"the tanning products."* 'Licensed Products' is defined as *"the products sold by the company using any of the Endorsements."*

46. 'Rights' is defined as *"the right to manufacture, promote, distribute and sell Licensed Products."*

47. 'Intellectual Property Rights' is defined in a way that covers, inter alia, trade marks, rights in goodwill, and copyright.

48. The initial term of the EA was 18 months. The copy of the EA in evidence is not signed or dated. However, it is common ground that the EA came into effect in February 2016. This means that it was in effect at the relevant date.

49. The applicant relies on clause 2.1 of the EA which states that *"Subject to the terms of this agreement, the Personality grants to the company the Rights in the Territory during the Term for use in respect of the Brand."* According to the applicant, this means that the EA was a licence under which the proprietor was allowed to use

the brand FERNE in relation to tanning products during the term of the EA. Therefore, once the EA was terminated by the proprietor in January 2017, clause 6.3 of the agreement required it to sell or otherwise dispose of all products bearing the brand FERNE within 3 months and to immediately cease advertising, promoting or marketing its association with the applicant.

50. However, the proprietor points to clause 9 of the EA which states that:

“9.1 The Personality acknowledges that the company is the owner of all Intellectual Property Rights in the Licensed Products created or developed under this agreement. Accordingly, in consideration of the royalty payable under clause 4, the Personality grants to the Company all present and future rights in all media throughout the world..... in the product of the Promotional Services and any other material created for the purpose of this agreement for the full period of the same and all possible renewals, reversions, revivals and extensions thereof and thereafterin perpetuity.

9.2 The Company acknowledges that subject to the grant of the Rights by the Personality to the Company all Endorsements and rights therein remain vested in the Personality.”

51. According to the proprietor, the brand FERNE was created or developed under the EA. Therefore, it owns the brand FERNE as well as the goodwill generated by the sale of tanning products under that brand. The proprietor submits that this is expressly confirmed by clause 5.1 of the EA which states that *“Any goodwill in the Licensed Products derived from the use by the Company of the Promotion Services shall accrue to the Company.”*

52. The ‘Promotion Services’ are defined as *“the services performed by the Talent in connection with this agreement.”* In other words, the promotional activities conducted by the applicant on behalf of the proprietor in relation to its tanning products.

53. At the hearing, Mr Edenborough submitted that a distinction should be drawn between the goodwill generated by the applicant's promotional services and that generated by the sale of tanning products under the brand FERNE. According to Mr Edenborough, the latter was not covered by clause 5.1 of the EA.

54. However, given that:

- (i) 'Licensed Products' is defined as *"the products sold by the company using any of the Endorsements"*;
- (ii) The proprietor makes and sells the tanning products that the applicant was to endorse;

- it does not seem very likely that the parties would have agreed that the goodwill in the proprietor's tanning products generated by the applicant's promotional activities would belong to the proprietor, but the goodwill generated by the sale of the products would not. I therefore find that clause 5.1 means that any goodwill generated by the sale of proprietor's tanning products through the applicant's promotional activities belongs to the proprietor. And if that is the case it must follow that all goodwill generated during the term of the EA by sales of branded products endorsed by the applicant (whether or not in consequence of her promotional activities) was to accrue to the proprietor.

55. This is consistent with the definition of 'Brand' in clause 1.1 as meaning *"the name of the brand,"* (emphasis added) the requirement in clause 3.1 for the proprietor to clear, inter alia, the name of the product with the applicant (or her agent), the definition of 'Intellectual Property' as covering trade marks and goodwill, and clause 9.1 which acknowledges that the proprietor is the owner of all intellectual property rights in the licensed products created or developed under the EA. Further, I note that there is nothing in the EA which requires the proprietor to cease use of the brand after the termination of the agreement.

56. In my view, the real issue between the parties is therefore whether the use of FERNE as a brand also constituted, by itself, an 'endorsement' of the proprietor's products. If it did, then the use of that word constituted both the brand envisaged in

the EA and an endorsement of the kind covered by clause 6.3. That would mean that even if the proprietor was the owner of the trade mark and the goodwill generated under it, it would have been obligated to stop using FERNE after the EA expired or was terminated.

57. However, in the light of my finding that FERNE alone was not distinctive of the applicant at the relevant date, I find that this word does not fall within the definition of 'Endorsements', whether as the 'name' of the applicant or otherwise. The name by which the applicant is popularly known is Ferne McCann. This is consistent with the evidence which appears to show that during the term of the EA the proprietor deemed it necessary to use more than just the name FERNE to indicate that its products were endorsed by the applicant. It used the words "by Ferne McCann" and a picture of her to indicate that she endorsed FERNE tanning products.

58. I conclude that the EA made the proprietor the owner of the FERNE trade mark and the goodwill generated under it in relation to tanning products endorsed by the applicant. At most, clause 6.3 of the EA obligated the proprietor to cease use of FERNE in ways that could reasonably be understood by the public to indicate that the applicant continued to endorse its products. This required more than just association with the applicant arising from the fact that she is known to have endorsed the tanning products in the past.

The legal basis of the application for invalidation

59. Section 47 states:

"47. - (1) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 3 or any of the provisions referred to in that section (absolute grounds for refusal of registration).

Where the trade mark was registered in breach of subsection (1)(b), (c) or (d) of that section, it shall not be declared invalid if, in consequence of the use

which has been made of it, it has after registration acquired a distinctive character in relation to the goods or services for which it is registered.

(2) The registration of a trade mark may be declared invalid on the ground-

(a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or

(b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.”

The s.5(4)(a) ground for invalidation

60. Section 5(4)(a) states:

“A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented –

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

(b) [.....]

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of “an earlier right” in relation to the trade mark.”

61. Halsbury’s Laws of England Vol. 97A (2012 reissue) provides guidance about establishing the likelihood of deception. In paragraph 309 it is noted (with footnotes omitted) that:

“To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

(1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and

(2) that members of that class will mistakenly infer from the defendant’s use of a name, mark or other feature which is the same or sufficiently similar that the defendant’s goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.”

62. The application of this guidance in the false endorsement type cases was considered by the Court of Appeal in *Fenty v Arcadia Group*¹⁶. Kitchen L.J. (as he then was) referred to the court’s earlier decision in *Elvis Presley Trade Marks*¹⁷ and concluded that:

*“45. [Counsel for the appellant] has here identified what to my mind are the two critical hurdles which a claimant must overcome in a claim for passing off in a merchandising case. First, it must be shown that application of the name or image to the goods has the consequence that they tell a lie. This requirement, which is closely allied to distinctiveness, will not be satisfied if the name or image denotes nothing about the source of the goods. Second, it must be shown that the lie is material. In many merchandising cases, the lie amounts to no more than a false suggestion that the goods are licensed and, as such, it may have no effect upon the buying decision. The importance of this aspect of the cause of action was emphasised by Millett LJ in *Harrods Ltd v Harrodian School Ltd* [1996] RPC 697 at 712–713.”*

¹⁶ [2015] EWCA Civ 38

¹⁷ [1999] RPC 567

63. Based on my findings above, I reject the application for invalidation under s.5(4)(a) of the Act insofar as it is based on the applicant's claim that FERNE alone was distinctive or her goodwill as a celebrity at the relevant date. I accept that FERNE McCANN was distinctive of the applicant at the relevant date. I also accept that the nature and extent of the applicant's reputation and goodwill was such that the use of the name by which she was known in relation to beauty products (including tanning products) and beauty care services (including tanning services) was liable to be understood by the relevant public as indicating that she endorsed those goods/services. I am satisfied that such use would have induced a substantial number of the public to try the products and services when they might not otherwise have done so. It follows that use of FERNE McCANN, without the applicant's consent, in relation to beauty products, retailing of the same, and/or beauty care services, would probably have constituted an actionable misrepresentation.

64. However, I do not consider that the use of FERNE solus, or FERNE BEAUTY, was sufficient to cause the public to believe that the applicant endorsed the products and services at issue. A similar issue arose in relation to trade mark application No. 2119687 for the mark LAURA in Class 2. That application had an objection raised against it on the basis, inter alia, of an earlier trade mark (No. 1231150), LAURA ASHLEY for identical goods. The Registry's Hearing Officer maintained the objection against the application, but the decision was reversed on appeal to Matthew Clarke QC sitting as the Appointed Person¹⁸. After reviewing the ECJ guidance in *Sabel v Puma*¹⁹ he came to the following view:

"In my judgement, it was unrealistic to conclude, in this case, that the public would be likely to be confused if the application was granted between the trade mark "Laura" and the other trade marks which include the words "Laura Ashley". I consider that by far the more distinctive and dominant component of the word elements of the earlier marks is the surname "Ashley" and that it is the two names "Laura" and "Ashley" which provide for its overall distinctiveness. I consider that the name "Laura" is a common enough

¹⁸ BL O/430/99

¹⁹ *Sabel BV v Puma AG*, Case C-251/95

Christian name which has no intrinsic association with the specification of goods in respect of which registration is sought. It appears to me that Mr Krause who appeared for the appellants before me was well founded in submitting that the name "Laura" was no more objectionable because of the provisions of Section 5(2) of the 1994 Act in relation to "Laura Ashley" than the word "John" would be in relation to the words "John Lewis" if both were to be used in relation to household paints, or "Thomas" in relation to "Thomas Cook" if the former were to be used in relation to travel services. Moreover, I think he was well founded in submitting that in approaching the question that has to be decided in this case, regard has to be given to the kind of goods in respect of which the application is being made and the type of consumers who are likely to purchase those goods. He submitted that the consumers of industrial, craft and artistic materials covered by the specification would be unlikely to purchase on impulse. It would be unlikely that such consumers would confuse such products with those to which the previous "Laura Ashley" marks were applied. It is of importance that in both the relevant provisions in the European Directive and in Section 5(2) of the 1994 Act what has to be identified is the likelihood of confusion, not simply the possibility of confusion. At the very highest, in the present case, in my view, it might be said that there was a possibility of confusion in the mind of certain members of the public but I consider that it was unreal to think in terms of there being a likelihood of confusion."

65. Although the marks and the background facts are different in this case, I similarly find that, at most, the proprietor's use of FERNE or FERNE BEAUTY as trade marks may have caused some members of the public to wonder whether the products and services were connected (or were still connected) with the applicant. However, as Jacob L.J. stressed in *Phones 4U Ltd v Phone 4U.co.uk Internet Ltd*²⁰, 'mere wondering' is not sufficient for passing off: it is necessary for a substantial number of the relevant public to assume (or be likely to assume) such a connection. The applicant's evidence does not persuade me of this. Consequently, I reject the

²⁰ [2007] RPC 5 at 16–17

applicant's case insofar as it is based on the registration of the proprietor's mark having been contrary to s.5(4)(a) of the Act.

The s.3(6) ground for invalidation – bad faith

66. 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.”

67. The law in relation to section 3(6) of the Act (“bad faith”) was summarised by Arnold J. in *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited*²¹ as follows:

“131. 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].

132. 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].

133. 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

²¹ [2012] EWHC 1929 (Ch)

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].

134. 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 Plastics 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].

135. 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].

136. 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].

137. 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].

138. 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."

68. The applicant's bad faith case appears to be based mainly on the same factual claims which underpin its passing off right case; namely, that at the relevant date:

- (i) FERNE was distinctive of her;
- (ii) The EA was only a licence for the proprietor to use the name FERNE during the term of the agreement to show that she endorsed the proprietor's tanning products.

69. I have already rejected these claims. It follows that the bad faith claim must also fail unless there is some additional factor or factors which justify the allegation that the proprietor applied to register the FERNE/FERNE BEAUTY marks in bad faith.

70. The applicant has identified the following additional factors:

- (i) The proprietor made the application during the term of the EA without telling the applicant about it;
- (ii) The application covered more goods/services than the EA;
- (iii) The application was an attempt to stop the applicant from using her name to endorse the registered goods/services;
- (iv) The proprietor did not pay the applicant all the fees due to her under the EA and has a track record of seeking celebrity endorsements and then not paying the celebrities what they are due.

71. If I am right that the proprietor is the owner of the brand created or developed under the EA then there is nothing in the first point. I accept that it would have been courteous for the proprietor to have informed the applicant that it was applying to register the brand they had agreed upon. However, as the brand was to be used to distinguish the proprietor's products and services, it was no more than normal business practice for the proprietor to apply to register (and thereby legally protect) the contested trade marks.

72. It is true that the application – now registration – covers more goods/services than the EA. However, if I am right that FERNE alone was not distinctive of the applicant at the relevant date, then there was no reason why the proprietor should have refrained from registering FERNE/FERNE BEAUTY in relation to goods/services that were not covered by the EA.

73. There is no evidence that the application was an attempt to stop the applicant from using her name - FERNE McCANN – to endorse the goods/services covered by the application. It is true that the proprietor's objected to Poundland's use of FERNE as a brand for beauty products²². However, there is no evidence that the proprietor has objected to any use of FERNE McCANN, whether by the applicant or by others with her consent. In any event, given the proprietor's use of FERNE/FERNE BEAUTY to distinguish its own tanning products, it is not feasible to argue that the

²² As the proprietor of the contested trade marks it was clearly entitled to object to such use.

sole purpose of the application to prevent the applicant from using the contested marks in relation to those goods.

74. According to the applicant, Mr Suleyman's co-director, Mr Hakem, approached her PR company in December 2015 seeking her endorsement of the proprietor's products. Mr Hakem said he has worked with other celebrities from TOWIE, specifically Lauren Goodger and Georgina Kousoulou. In her first statement, Ms McCann appears to link the termination of the EA with her claim that she was not paid the money owed to her under the its terms. She goes on to suggest that Lauren Goodger had a similar experience with the proprietor. In her second statement made in reply to the proprietor's evidence, the applicant adds that Georgina Kousoulou also faced similar issues whilst working with Mr Hakem.

75. Mr Suleyman denies that the applicant was not paid for her endorsement activity. In support of this denial he exhibits a copy of an email indicating that £1200 was paid to the applicant on 2nd August 2016, 28th September 2016, 3rd October 2016, 29th November 2016 and that two further payments of the same sum were made on 21st April 2017²³, making £7200 in all. In response to the applicant's further claim that the proprietor did not provide her with timely sales information as required by the EA, Mr Suleyman exhibits a copy of an email dated 17th January 2017 addressed to the applicant's PR company²⁴. The attachment to this email records that there had been 809 orders for FERNE BEAUTY products from 780 customers. I note that only 6 of these orders were made in January 2017, and only 29 such orders had been received in December 2016. This confirms Mr Suleyman's claim that sales of the tanning products were relatively low. It also suggests that sales were diminishing.

76. In her second statement, the applicant complains that she was paid late and only received six payments instead of the seven she considers were due to her from sales of the proprietor's FERNE/FERNE BEAUTY products between June 2016 and January 2017.

²³ See exhibit SS5

²⁴ See exhibit SS6

77. Turning to the allegedly similar experiences of Ms Goodger and Kousoulou, the applicant exhibits a copy of an article from the MailOnline dated 21st December 2018²⁵ and copies of some emails between Nadia King (who appears to represent Ms Kousoulou) and 'Nev' at CP Management (i.e. the proprietor)²⁶. The MailOnline article indicates that Ms Goodger has not been paid by a company she established with an unnamed business partner to market her 'Lauren Way' range of tanning products. The emails between Nadia King and the proprietor end with one from the latter dated 13th December 2016. This provided Ms Kousoulou's representative with information about sales of a 'My Mane Classic' product. The covering email says that the products had not sold well and that the proprietor had not covered its costs.

78. Mr Suleyman denies that the proprietor has ever had a business relationship with Ms Goodger. He has been told that Mr Hakem did have such a relationship, but this was in his personal capacity.

79. There is no evidence from Ms Goodger or Ms Kousoulou.

80. In my view, the applicant's evidence is insufficient to establish that the proprietor, or its directors, have an established pattern of behaviour whereby they obtain endorsements from celebrities and then go on to unfairly exploit the name and/or reputation of the celebrity without fulfilling obligations of payment. Indeed, subject to disagreement about the timing and the precise number of payments due, the evidence shows that Ms McCann did receive at least the minimum payments due from the proprietor under the EA. The evidence about Ms Goodger and Ms Kousoulou is inconclusive. However, it does not clearly show that the proprietor continued to trade on their names after any business relationship had ended.

81. Taking the above into account, I find that the applicant has not established that the proprietor applied to register the contested marks in bad faith. At most, the applicant has established facts which are as consistent with good faith as bad faith. As noted above, that is not enough to disturb the presumption of good faith.

²⁵ See exhibit 26 to McCann 2

²⁶ See exhibit 27 to McCann 2

The s.60(3) ground for invalidation

82. So far as it is relevant for present purposes, s.60 of the Act is as follows:

“60(1) The following provisions apply where an application for registration of a trade mark is made by a person who is an agent or representative of a person in a Convention country.

(2) –

(3) If the application is..... granted, the proprietor may-

(a) apply for a declaration of the invalidity of the registration..

(b) –

(4) –

(5) Subsections (2), (3) and (4) do not apply if, or to the extent that, the agent or representative justifies his actions

(6)-”

83. The applicant claims to be the owner of a protectable goodwill under the marks FERNE and FERNE McCANN in Ireland, which (unlike the UK) is a ‘Convention country’ for the purposes of s.60.

84. I accept that at the relevant date the applicant had a protectable goodwill as a celebrity in Ireland.

85. However, I do not accept that the applicant has shown that FERNE or FERNE BEAUTY was distinctive of her as a celebrity. Consequently, even assuming that the law of passing off in Ireland is the same as the law in the UK, she was not the proprietor of these unregistered marks in Ireland.

86. I accept that FERNE McCANN was distinctive of the applicant in Ireland. Therefore, again assuming the law in Ireland protects against false endorsement in the same way as in the UK, the applicant was the proprietor of this earlier mark in a Convention country. At the hearing, Mr Brandreth objected that the applicant had not clearly relied on this mark in its pleadings for the purposes of the s.60(3) ground for

invalidation. I agree. Therefore, as this mark was not clearly pleaded it follows that the s.60(3) ground based on it must fail.

87. However, even if I am wrong about this, I would have rejected the s.60(3) ground based on the mark FERNE McCANN. It is true that an objection under s.60 may arise even where the contested mark is not the same as the earlier mark in a Convention country. However, the similarity between the marks must, at the least, be sufficient to create a likelihood of confusion. As is implicit from my rejection of the applicant's s.5(4)(a) ground, I do not consider that there was a likelihood of confusion at the relevant date. Therefore, the applicant was not the proprietor of a relevant mark in a Convention country.

88. Additionally, even when construed in its broadest sense, the proprietor could not have been an 'agent or representative' of the applicant in relation to any goods/services other than those covered by the EA, i.e. tanning products. And in relation to these products, the proprietor was entitled to believe that clause 9.1 of the agreement made it the owner of the trade mark selected under the agreement for the products. Consequently, if it were necessary for the proprietor to justify its registration of the mark under s.60(5), I would have found that it had justified its actions.

89. For these reasons, I reject the s.60(3) ground too.

Overall outcome

90. The application for invalidation is rejected.

Costs

91. The application has failed. The proprietor is entitled to a contribution towards its costs. I assess these as follows:

£400 for considering the application for invalidation and filing a counterstatement;

£1100 for considering the applicant's evidence and written submissions and filing evidence in reply;
£900 for filing a skeleton argument and attending a hearing.

92. I therefore order Ms Ferne McCann to pay CP Management Limited the sum of £2400. This sum to be paid within 21 days of the end of the period allowed for appeal or if there is an appeal, within 21 days of the conclusion of the appeal proceedings (subject to any order of the appellate tribunal).

Dated 19th June 2019

**Allan James
For the Registrar**

Annex A

Class 3: Non-medicated toilet preparations; non-medicated preparations for the care of the skin, face, hands, feet, body, scalp or hair; toiletries; cosmetic products; cosmetics; cosmetic creams, milks, lotions, balms, washes, sprays, oils, mists, gels, scrubs and wipes for the skin, face, hands, feet, body, scalp or hair; non-medicated preparations for application to the skin for suntanning and/or suncreening and/or suncare purposes; tanning preparations; artificial tanning preparations; self-tanning preparations; auto-tanning preparations; cosmetic tanning preparations; cosmetic self-tanning preparations; tanning lotions; self-tanning lotions; tanning creams; self-tanning creams; tanning gels; self-tanning gels; tanning milks; self-tanning milks; tanning oils; self-tanning oils; sun tanning products and preparations; sun screening products and preparations; sun tan accelerator products and preparations; aftersun products and preparations; after sun moisturisers; beauty care preparations; skin care preparations; cleansing preparations; cleansers; skin cleansers; moisturisers; moisturising lotions; moisturising creams; skin moisturisers; skin toners, facial toners; skin bracers; skin fresheners; skin tonics; astringents; facial lotions; facial washes; facial cleansers; facial scrubs; make-up; perfumery; perfume; fragrances; fragrance preparations; fragrances for personal use; scents; scented water; toilet waters; scented toilet waters; eau de cologne; essential oils; soaps; non-medicated bath preparations; shower gels; bubble bath preparations; anti-perspirants; deodorants; roll-on deodorants; body sprays; talcum powder; preparations for the hair; hair lotions; shampoos; conditioners; hairspray; hair colouring preparations; hair tints; hair dyes; eyelash colouring preparations; eyelash tints; eyelash dyes; nail varnish; nail polish; nail enamel; nail gel; nail glitter; nail art stickers; nail whiteners; nail strengtheners; nail hardeners; nail repair preparations; nail polish remover; depilatory preparations; shaving preparations; aftershave lotions; dentifrices; toothpastes; room and air fragrancing products; scented room sprays; eyelashes; artificial eyelashes; artificial nails; nail tips; adhesives for artificial eyelashes, hair and nails; face and body glitter; cosmetic wipes.

Class 35: Retail services, including online retail services, in relation to non-medicated toilet preparations, non-medicated preparations for the care of the skin, face, hands, feet, body, scalp or hair, toiletries, cosmetic products, cosmetics, cosmetic creams, milks, lotions, balms, washes, sprays, oils, mists, gels, scrubs and wipes for the skin, face, hands, feet, body, scalp or hair, non-medicated preparations for application to the skin for suntanning and/or sunscreening and/or suncare purposes, tanning preparations, artificial tanning preparations, self-tanning preparations, auto-tanning preparations, cosmetic tanning preparations, cosmetic self-tanning preparations, tanning lotions, self-tanning lotions, tanning creams, self-tanning creams, tanning gels, self-tanning gels, tanning milks, self-tanning milks, tanning oils, self-tanning oils, sun tanning products and preparations, sun screening products and preparations, sun tan accelerator products and preparations, aftersun products and preparations, after sun moisturisers, beauty care preparations, skin

care preparations, cleansing preparations, cleansers, skin cleansers, moisturisers, moisturising lotions, moisturising creams, skin moisturisers, skin toners, facial toners, skin bracers, skin fresheners, skin tonics, astringents, facial lotions, facial washes, facial cleansers, facial scrubs, make-up, perfumery, perfume, fragrances, fragrance preparations, fragrances for personal use, scents, scented water, toilet waters, scented toilet waters, eau de cologne, essential oils, soaps, non-medicated bath preparations, shower gels, bubble bath preparations, anti-perspirants, deodorants, roll-on deodorants, body sprays, talcum powder, preparations for the hair, hair lotions, shampoos, conditioners, hairspray, hair colouring preparations, hair tints, hair dyes, eyelash colouring preparations, eyelash tints, eyelash dyes, nail varnish, nail polish, nail enamel, nail gel, nail glitter, nail art stickers, nail whiteners, nail strengtheners, nail hardeners, nail repair preparations, nail polish remover, depilatory preparations, shaving preparations, aftershave lotions, dentifrices, toothpastes, room and air fragrancing products, scented room sprays, eyelashes, artificial eyelashes, artificial nails, nail tips, adhesives for artificial eyelashes, hair and nails, face and body glitter, and cosmetic wipes; advertising, marketing and promotional services; product demonstrations and product display services; office functions; information, advisory and consultancy services in relation to all of the aforementioned services.

Class 44: Hygienic and beauty care for human beings; tanning services; cosmetic skin tanning services; tanning salons; tanning salon services; artificial tanning salons; artificial tanning services; spray tanning services; airbrush tanning services; solarium services; beauty salons; beauty salon services; beauty treatment; beauty therapy; beauty consultancy; beauty counselling; hair salons; hair salon services; hairdressing services; spas; spa services; beauty care provided by a health spa; information, advisory and consultancy services in relation to all of the aforementioned services.