

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION No. 2513985A  
BY ADUB LIMITED  
TO REGISTER THE TRADE MARK  
Artrocker  
IN CLASS 41**

**AND**

**IN THE MATTER OF OPPOSITION THERETO  
UNDER No. 100446 BY  
ARTROCKER MAGAZINE LIMITED**

**AND IN THE CONSOLIDATED ISSUE**

**IN THE MATTER OF APPLICATION No. 2520651  
BY ARTROCKER MAGAZINE LIMITED  
TO REGISTER THE TRADE MARK  
Artrocker  
IN CLASS 41**

**AND**

**IN THE MATTER OF OPPOSITION THERETO  
UNDER No. 100499  
BY ADUB LIMITED**

## BACKGROUND

1) Adub Limited (hereinafter ADUB), applied to register the following trade mark:

Number	Mark	Filing Date	Class	Specification
2513985A	Artrocker	18 April 2009	41	Online and digital publishing services

2) The application split into two parts with the “A” part being examined and accepted, and subsequently published for opposition purposes on 5 March 2010 in Trade Marks Journal No.6826.

3) On 23 April 2010 Artrocker Magazine Limited (hereinafter ART) filed a notice of opposition. The grounds of opposition, in summary, are that ART have been using the mark in suit since 1998 and have built up considerable reputation in the mark in the UK in relation, primarily, to a magazine. In addition the principal behind the ADUB (Mr Beatty) worked for ART. The mark in suit therefore offends against Sections 3(6) & 5(4)(a).

4) On 28 June 2010 ADUB filed a counterstatement which denied ART’s claims. Mr Beatty states that he was not employed by ART but owned his own business in partnership with another party and that as part of a settlement it was agreed that ADUB would retain the intellectual property rights with regard to the digital domain.

5) ART applied to register the following trade mark:

Number	Mark	Filing Date	Class	Specification
2520651	Artrocker	9 July 2009	41	Music magazine publishing; online publishing in relation to music magazines.

6) The application was examined and accepted, and subsequently published for opposition purposes on 12 February 2010 in Trade Marks Journal No.6823.

7) On 13 May 2010 ADUB filed a notice of opposition. The grounds of opposition are in summary that the mark in suit is identical to ADUB’s earlier mark and for identical / similar services. It therefore offends against Section 5(2)(b) of the Trade Marks Act 1994.

8) On 27 July 2010, ART filed a counterstatement which denied ADUB’s claims.

9) Both parties filed evidence, and both seek an award of costs in their favour. Neither side wished to be heard, but both parties provided written submissions which I shall refer to as and when required in my decision.

## ART'S EVIDENCE

10) ART filed a witness statement, dated 4 January 2011 by Thomas Fawcett the co-founder of Artrock magazine and its editor in chief. He states that the magazine was first published in 1999 and the mark was used in connection with a number of areas of art and music. In addition to the magazine both in printed form and online, the mark has been used as a record label, a members club which promoted concerts, a radio show and art exhibitions. He states that Artrock was initially a yearly fanzine issued in 1999-2001. In October 2004 a weekly magazine was issued, but from early 2005 it became a fortnightly issue. The format also changed from a matte self-cover staple bound publication, to a glossy, self cover folio magazine and from December 2007 as a perfect-bound folio which he describes as being a very high quality format such as NME and MOJO. He states that the concept of closing the gap between art and rock music and addressing the rising market of those whose lifestyles reflect the overlap is unique and makes the name more memorable. The magazine is sold throughout the UK by large retailers such as W H Smith, HMV and also the National Union of Students which has shops on university campuses around the UK. He provides the following distribution figures.

Year	Distribution
2004	10,000
2005	18,000
2006	25,000
2007	28,000
2008	30,000
2009	35,000
2010	39,000

11) Mr Fawcett points out that the actual readership is approximately three times higher than the distribution rate. He states that in autumn 2001 he and Mr Cox created the Artrock Mailing List. The public were invited to sign up to receive weekly reports on "artrock" music with the public also providing reviews. By the end of the first year there were 10,000 listed members which had risen to 15,000 by September 2010, despite the launch of the magazine in the interim. Each weekly edition ran to many tens of pages. In April 2002 it was decided to set up a website and the domain names [www.artrock.com](http://www.artrock.com) and [www.artrock.co.uk](http://www.artrock.co.uk) were registered in 2002. In 2004 Dave Taylor (now a director of ADUB) was approached to assist ART with the general management of the web site. Also in 2004 [www.artrock.tv](http://www.artrock.tv) was registered and is now the main web site for ART. He states that between 2001 and 2005 Artrock released ten albums on their own label which sold over 200,000 copies worldwide. They also promoted new unsigned talent by giving away records/CDs attached to the magazine. He states that between 2001 and 2009 over fifty concerts were promoted under the Artrock name. The mail-out also issued membership cards which enabled members to gain free entry to certain concerts promoted under the Artrock Club brand. In 2002 a weekly internet radio show under the Artrock mark was broadcast, and since 2004 has been broadcast on the radio station Resonance FM, whilst still being available on

the internet. It is estimated that the internet and broadcast shows attracted approximately 50,000 listeners a week. The two founders also use the name “artrocker” as a pseudonym surname.

12) Mr Fawcett states that the two directors of ADUB (Dave Taylor and Django Beatty) began working for Artrocker in 2004 and 2005 respectively. Their roles were to assist with the technical side of the Artrocker.com website. In 2006-2007 Artrocker Digital Limited was formed with Mr Taylor and Mr Beatty being directors and shareholders. Mr Fawcett and Mr Cox were also shareholders. In 2007 Mr Taylor moved to New Zealand where he continues to live. This made contact very difficult. In 2008 Mr Fawcett and Mr Cox met with Mr Beatty to discuss the problem. He states that initially Mr Beatty, agreed that Mr Taylor had acted unprofessionally. Mr Fawcett and Mr Cox asked that control of the website be handed back to them. However, when Mr Taylor refused Mr Beatty eventually sided with Mr Taylor. The dispute went on until August 2008 when a “final settlement” was reached. This resulted in Mr Fawcett and Mr Cox having control of the mailing list and the mail-out archive while the domain name was transferred to Mr Taylor and Mr Beatty and they would take ownership of the web site content. The settlement did not mention trade mark rights as the website was a minor aspect of the Artrocker brand. However, as the Mailout archive was not provided the agreement never came into force. Despite this Mr Taylor and Mr Beatty were permitted to continue operating the Artrocker.com web site as it was a minor part of the Artrocker operation.

13) Mr Fawcett points out that the directors of ADUB were not associated with Artrocker until five years after the mark was first used and their involvement was minor and only last three years. The main source of reputation and goodwill in the mark was the magazine, concerts etc which ADUB had no part in. When the relationship broke up Artrocker effectively licensed ADUB to continue using the brand on the Artrocker website. He provides the following exhibits:

- Exhibit TF/2: Full copies of the Artrocker magazine or just the front cover in some instances.
- TF/3: A list of approx 300 W H Smith UK outlets for Artrocker magazine.
- TF/4: A copy of a BBC article referring to the reputation in Artrocker in 2004 as a record label, a magazine, a promoter and as a website.
- TF/6: Copies of the fanzine.
- TF/7: A sample of the weekly mail-outs from 2002-2010. All show use of the mark Artrocker.
- TF/8: A copy of a subscriber list from October 2008 showing the addresses of the 13,000 (+) people who were signed up for the online review.
- TF/11: A selection of Artrocker records and CDs.

- TF/12: Copies of covers of other Artrockers records and CDs.
- TF/13: A collection of pictures and posters advertising the Artrockers concerts.
- TF/15: Copies of flyers for Artrockers concerts.
- TF/17-19: Copies of BBC articles regarding Artrockers concerts, dated 2002, 2007 & 2009.

## **ADUB'S EVIDENCE**

14) ADUB filed a witness statement, dated 11 January 2011, by Django Beatty a director of ADUB. Mr Beatty states that he accepts the use claimed by ART of the mark since 1999, throughout the UK. He describes this as:

“The trade mark was used to brand a number of different businesses over the years, including magazine publishing, radio shows, record company, promotional/advertising website, organising entertainment events etc.”

15) Mr Beatty states that this clearly explains the distinction between the two companies. He states that ART enlisted the assistance of initially Mr Taylor and then himself to manage the website. He states that under their control the site changed from being a corporate site for the business to a magazine style website, including finding and mentoring new writers for the content. He states that he and Mr Taylor agreed the new site structure with ART and also sorted out the mail-out. He states that this was a significant amount of work for which they were not paid. Instead they were given ownership of the company set up to handle the digital business- Artrockers Digital Limited. He states:

“5. Dave Taylor and my company [ADUB] were sole directors and shareholders of Artrockers Digital Ltd (company registration 6420215), the company incorporated to own the domain name and manage the website part of the business. This company has since been dissolved. Despite discussions regarding them being made directors, Tom Fawcett and Paul Cox were never shareholder/directors of Artrockers Digital Ltd.”

16) Mr Beatty states that in July 2008 the relationship between the parties was brought to an end as “it was felt that the website and the magazine were heading in different directions”. He provides, at exhibit DG4, copies of various e-mails regarding the negotiations. He states that subsequently an agreement was reached for ADUB to administer, maintain and provide editorial for the website [www.artrockers.com](http://www.artrockers.com). This he states was done on a volunteer basis. He states that ART have used [www.artrockers.tv](http://www.artrockers.tv) and [www.artrockermagazine.com](http://www.artrockermagazine.com) to promote their activities. He states that the latter portal is simply for purchasing and has none of the content or interactive features of his website. He provides the results of various Google searches which show that the

ADUB website is more popular than those of ART. Although ART have questioned how Mr Beatty obtained many of the e-mails contained within exhibit DB4, they have not sought to have them regarded as “without prejudice correspondence”. I will therefore rely upon certain points which are contained within the e-mails.

- The first e-mail, dated 10 July 2008, is on behalf of Artrock Magazine Limited and states that the majority shareholders (Fawcett & Cox) in Artrock Digital Ltd wish to sell the website to the magazine. The e-mail contains the offer price. The subsequent e-mails show negotiations taking place. Then on 27 August 2008 Mr Beatty writes to Fawcett, Cox and Taylor stating that the mailing list and back copies will belong to Fawcett and Cox whilst Taylor and Beatty own the domain artrock.com and all the content/data. In addition Taylor and Beatty were to continue hosting various e-mail addresses until they could be moved elsewhere.

### **ART’S EVIDENCE IN REPLY**

17) ART filed a witness statement, dated 16 May 2011, by Mr Fawcett who provided evidence earlier in the proceedings. He states that some of the e-mails provided as exhibits by ADUB were only circulated internally at ART and so he questions how ADUB came to possess them, suggesting that it demonstrates the low standards of practice of ADUB. He states that ART had a website running long before ADUB became involved. He states that the person who set up the website did so as a volunteer and that was the basis of Mr Taylor’s involvement, he states that the agreement was that he and Mr Cox would be the major shareholders of the new company Artrock Digital Limited and that he trusted Mr Taylor and Mr Beatty to stick to the agreement. He states that the company was not given to the two men in lieu of payment as has been suggested. He states that the fact that he was not a shareholder in Artrock Digital Ltd did not emerge until late in the negotiations.

18) Mr Fawcett states that ART had a substantial on-line presence prior to the involvement of ADUB as he has shown in his earlier evidence. He points out that the draft agreement allowed Mr Taylor and M Beatty to continue to use the domain name www.Artrock.com and own the content upon it but did not state anything about intellectual property rights as the issue was never discussed.

### **ADUB’S EVIDENCE IN REPLY**

19) ADUB filed two witness statements. The first, dated 16 May 2011, is a second witness statement by Mr Beatty. He makes a number of comments regarding the evidence of ART:

- a) the link between art and rock music was established long before ART came into being;
- b) the record label of ART ceased to exist in 2005;
- c) the club nights ceased in 2009;

- d) the mail-outs were originally done via e-mails and this does not constitute an internet presence;
- e) he disputes that he was a mere administrator of the website;
- f) he disputes that Mr Taylor was difficult to get hold of and claims that it was ART that were un-contactable;
- g) he states that he did supply the mail-out lists.

20) Lastly, Mr Beatty states that he has invested six years in the project and that all the goodwill in the website www.Artrocker .com belongs to himself and Mr Taylor.

21) The second witness statement, dated 16 May 2011, is by Dave Taylor. He states that he approached ART in July 2004 with a plan to improve the website and was brought in as an Editor not on the technical side. He states that the magazine and website were always separate businesses. The e-mails seem to suggest a sharing of content between the two businesses. Mr Taylor states that the radio station that broadcast ART’s radio show on the internet ceased operations on 23 March 2010.

22) That concludes my summary of the evidence filed, insofar as I consider it necessary.

**DECISION**

**Opposition 100446**

23) I shall first deal with ADUB’s application 2513985A, the details are shown below for ease of reference:

Number	Mark	Filing Date	Class	Specification
2513985A	Artrocker	18 April 2009	41	Online and digital publishing services

24) There are two grounds of opposition against the application. These are under sections 3(6) and 5(4)(a). I shall first deal with the section 5(4)(a) ground which reads:

“5. (4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented -

- (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

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.”

25) In deciding whether the mark in question offends against this section, I intend to adopt the guidance given by the Appointed Person, Mr Geoffrey Hobbs QC, in the *WILD CHILD* case [1998] RPC 455. In that decision Mr Hobbs stated that:

“The question raised by the grounds of opposition is whether normal and fair use of the designation WILD CHILD for the purposes of distinguishing the goods of interest to the applicant from those of other undertakings (see section 1(1) of the Act) was liable to be prevented at the date of the application for registration (see Article 4(4)(b) of the Directive and section 40 of the Act) by enforcement of rights which the opponent could then have asserted against the applicant in accordance with the law of passing off.

A helpful summary of the elements of an action for passing off can be found in Halsbury’s Laws of England (4th Edition) Vol. 48 (1995 reissue) at paragraph 165. The guidance given with reference to the speeches in the House of Lords in *Reckitt & Colman Products Ltd v. Borden Inc.* [1990] R.P.C. 341 and *Erven Warnink BV v. J. Townend & Sons (Hull) Ltd* [1979] AC 731 is (with footnotes omitted) as follows:

‘The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:

- (1) that the plaintiff’s goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;
- (2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by the defendant are goods or services of the plaintiff; and
- (3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant’s misrepresentation.

The restatement of the elements of passing off in the form of this classical trinity has been preferred as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House. This latest statement, like the House’s previous statement, should not, however, be treated as akin to a statutory definition or as if the words used by the House constitute an exhaustive, literal definition of passing off, and in particular should not be used to exclude from the ambit of the tort recognised forms of the action for passing off which were not under consideration on the facts before the House.’

Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph 184 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.

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

(a) the nature and extent of the reputation relied upon;

(b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;

(c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;

(d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and

(e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action.”

26) I also note the comments of Pumfrey J in *South Cone Incorporated v JackBessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* case, in which he said:

“27. There is one major problem in assessing a passing off claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the Registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent's reputation extends to the goods comprised in the applicant's specification of goods. The requirements of the objection itself

are considerably more stringent than the enquiry under Section 11 of the 1938 Act (See *Smith Hayden (OVAX)* (1946) 63 RPC 97 as qualified by BALI [1969] RPC 472). Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.

28. Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed at the relevant date. Once raised the applicant must rebut the prima facie case. Obviously he does not need to show that passing off will not occur, but he must produce sufficient cogent evidence to satisfy the hearing officer that it is not shown on the balance of possibilities that passing off will occur.”

27) I must also keep in mind the comments of Mr Justice Floyd in *Minimax GMBH & Co KG and Chubb Fire Limited* [2008] EWHC 1960 (Pat) in which he says of the above:

“Those observations are obviously intended as helpful guidelines as to the way in which a person relying on section 5(4)(a) can raise a case to be answered of passing off. I do not understand Pumfrey J to be laying down any absolute requirements as to the nature of evidence which needs to be filed in every case. The essential is that the evidence should show, at least prima facie, that the opponent's reputation extends to the goods comprised in the application in the applicant's specification of goods. It must also do so as of the relevant date, which is, at least in the first instance, the date of application.”

28) First I must determine the date at which ART's claim is to be assessed; this is known as the material date. In this regard, I note the judgment of the General Court (GC) in *Last Minute Network Ltd v Office for Harmonization in the Internal Market* (Trade Marks and Designs) (OHIM) Joined Cases T-114/07 and T-115/07. In that judgment the GC said:

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

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

29) In their evidence ART claims to have first used its mark in 1999. For their part ADUB claims to have been using the mark since 2006 with the agreement of ART. It is accepted that ART is the senior user, the issue is whether there had been common law

acquiescence, or whether the status quo should be disturbed, taking into account the comments in *Croom's Trade Mark Application* [2005] RPC 2 and *Daimlerchrysler AG v Javid Alavi (T/A Merc)* [2001] RPC 42.

30) I now turn to consider the evidence provided. In his first statement Mr Beatty of ADUB accepts the use claimed by ART of the mark since 1999, throughout the UK. He describes this as:

“The trade mark was used to brand a number of different businesses over the years, including magazine publishing, radio shows, record company, promotional/advertising website, organising entertainment events etc.”

31) Mr Taylor has questioned whether ART has any reputation or use regarding on-line services and he points out that the early magazines were sent out via e-mail which he contends is not internet use. He may be technically correct but the application in suit covers “online and digital publishing services” which would, in my opinion include e-mail. However, this is not a crucial point as even if use of e-mail is not use on the internet it must be very similar to it.

32) ADUB also contend that:

“7. The goodwill built up in the ARTROCKER brand was built up, and therefore jointly owned, by a group of individuals including Mr Thomas Fawcett, Mr Paul Cox, Mr Dave Taylor and Mr Django Beatty. The entitlement to the ownership must be decided on the facts and case law makes it clear that those entitled to the goodwill cannot interfere with each other – e.g. *Scandecor Development v. Scandecor Marketing* [1999] FSR 29 and *Sir Robert McAlpine Ltd v. Alfred McAlpine Limited* [2004] RPC 36.

8. The settlement agreement between the parties clearly divided the goodwill and reputation which had been built up and following this ADUB were entitled to continue their online activities. AML have not and cannot prove that any deception or misrepresentation has taken place. Consequently the ground must fail.”

Also:

“AML may regret allowing ADUB to retain the domain name and related rights, however this does not mean that they are entitled to demand it back.”

33) It is clear from the evidence as well as the comments of Mr Beatty that ART was using the trade mark Artrocker on a considerable range of goods and services before either Mr Taylor or Mr Beatty became involved in the company. This activity included a magazine sent out via e-mail and also a printed version which was sold throughout the UK via large retailers such as W H Smith. There is no dispute that this was before Mr Taylor or Mr Beatty joined ART. I have no doubt in finding that as at 2004 ART had

considerable goodwill in the name Artrocker with regard to printed magazines and on-line magazines and communications.

34) ADUB was set up as just another part of the overall business and it is clear that the intention was for the originators of the brand, Mr Fawcett and Mr Cox, to be the major shareholders whilst the two men running this aspect of the business, Mr Taylor and Mr Beatty would be directors and so be able to receive salaries from any income generated. The fact that the company ADUB was set up with the sole shareholders being Mr Beatty and Mr Taylor was obviously not divulged to ART as the e-mail in August 2008 states they believed that they were the main shareholders. The fact that during the time that ADUB was trading as an on-line magazine there was a very successful printed magazine being sold nationwide as well as the other activities undertaken by ART, belies the claim that the goodwill in Artrocker rests with the four men. It also fatally undermines any suggestion that there has been acquiescence. All the goodwill in Artrocker clearly rests with ART. Nor do I accept that the agreement between the parties alters this fact. The agreement, if indeed one can refer to a collection of e-mails as such merely agrees that Mr Taylor and Mr Beatty will own the domain artrocker.com and all the content/data of the on-line magazine. This is as far as it goes. It does not suggest that they have any rights to any of the goodwill built up in the mark Artrocker from its inception until the date of the agreement, nor does it give them any rights to use the mark. It merely allows them to use a domain name which has the word "Artrocker" as part of its address. I do not accept the submission that it clearly divided the goodwill.

35) I note that in pursuit of the consolidated cross opposition ADUB state that the marks are identical and that the services are identical or extremely similar. ART, having established goodwill in their mark Artrocker, any use of the mark Artrocker by ADUB must be misleading. The ground under Section 5(4)(a) is therefore successful.

36) I now turn to consider the ground of opposition under Section 3(6) which reads:

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

37) Section 3(6) has its origins in Article 3(2)(d) of the Directive, the Act which implements Council Directive No. 89/104/EEC of 21 December 1988 which states:

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

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

38) In case O/094/11 [*Jan Adam*] Mr Hobbs Q.C. acting as the Appointed Person summed up the bad faith test in the following manner:

“31. The basic proposition is that the right to apply for registration of a trade mark cannot validly be exercised in bad faith. The invalidity of the application is not conditional upon the trade mark itself being either registrable or unregistrable in relation to any goods or services of the kind specified. The objection is absolute in the sense that it is intended to prevent abusive use of the system for acquiring title to a trade mark by registration. Any natural or legal person with the capacity to sue and be sued may pursue an objection on this ground: see the Judgment of the Court of Justice in Case C-408/08P Lancôme parfums et beauté & Cie SNC v. OHIM [2010] ECR I-00000 at paragraph [39] and the Opinion of Advocate General Ruiz-Jarabo Colomer at paragraphs [63] and [64]. Since there is no requirement for the objector to be personally aggrieved by the filing of the application in question, it is possible for an objection to be upheld upon the basis of improper behaviour by the applicant towards persons who are not parties to the proceedings provided that their position is established with enough clarity to show that the objection is well-founded.

32. Any attempt to establish bad faith must allow for the fact that there is nothing intrinsically wrong in a person exercising *‘the right to apply the rules of substantive and procedural law in the way that is most to his advantage without laying himself open to an accusation of abuse of rights’* as noted in paragraph [121] of the Opinion delivered by Advocate General Trstenjak in Case C-482/09 Budejovicky Budvar NP v. Anheuser-Busch Inc on 3 February 2011. In paragraph [189] of his judgment at first instance in Hotel Cipriani SRL v. Cipriani (Grosvenor Street) Ltd [2009] EWHC 3032 (Ch); [2009] RPC 9 Arnold J. likewise emphasised:

... that it does not constitute bad faith for a party to apply to register a Community trade mark merely because he knows that third parties are using the same mark in relation to identical goods or services, let alone where the third parties are using similar marks and/or are using them in relation to similar goods or services. The applicant may believe that he has a superior right to registration and use of the mark. For example, it is not uncommon for prospective claimants who intend to sue a prospective defendant for passing off first to file an application for registration to strengthen their position. Even if the applicant does not believe that he has a superior right to registration and use of the mark, he may still believe that he is entitled to registration. The applicant may not intend to seek to enforce the trade mark against the third parties and/or may know or believe that the third parties would have a defence to a claim for infringement on one of the bases discussed above. In particular, the applicant may wish to secure exclusivity in the bulk of the Community while knowing that third parties have local rights in certain areas. An applicant who proceeds on the basis explicitly provided for in Art. 107 can hardly be said to be abusing the Community trade mark system.

These observations were not called into question in the judgment of the Court of Appeal in that case: [2010] EWCA Civ 110; [2010] RPC 16. They

were re-affirmed by Arnold J. in Och-Ziff Management Europe Ltd v. Och Capital LLP [2011] ETMR 1 at paragraph [37].

33. The line which separates legitimate self-interest from bad faith can only be crossed if the applicant has sought to acquire rights of control over the use of the sign graphically represented in his application for registration in an improper manner or for an improper purpose. The appropriate remedy will in that case be rejection of the offending application for registration to the extent necessary to render it ineffective for the purpose which made it objectionable in the first place.

34. In a case where the relevant application fulfils the requirements for obtaining a filing date, the key questions are: (1) what, in concrete terms, is the objective that the applicant has been accused of pursuing? (2) is that an objective for the purposes of which the application could not properly be filed? (3) is it established that the application was filed in pursuit of that objective? The first question serves to ensure procedural fairness and clarity of analysis. The second question requires the decision taker to apply a moral standard which, in the absence of any direct ruling on the point from the Court of Justice, is taken to condemn 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'*: Gromax Plasticulture Ltd v. Don & Low Nonwovens Ltd [1999] RPC 367 at 379 (Lindsay J). The third question requires the decision taker to give effect to the principle that innocence must be presumed in the absence of evidence sufficient to show that the applicant has acted improperly as alleged.

35. In assessing the evidence, the decision taker is entitled to draw inferences from proven facts provided that he or she does so rationally and without allowing the assessment to degenerate into an exercise in speculation. The Court of Justice has confirmed that there must be an overall assessment which takes into account all factors relevant to the particular case: Case C-529/07 Chocoladefabriken Lindt & Sprüngli AG v. Franz Hauswirth GmbH [2009] ECR I-4893 at paragraph [37]; Case C-569/08 Internetportal und Marketing GmbH v. Richard Schlicht [2010] ECR I-00000 at paragraph [42]. As part of that assessment it is necessary as part of that approach to consider the intention of the applicant at the time when the application was filed, with intention being regarded as a subjective factor to be determined by reference to the objective circumstances of the particular case: Chocoladefabriken Lindt & Sprüngli GmbH (above) at paragraphs [41], [42]; Internetportal and Marketing GmbH (above) at paragraph [45]. This accords with the well-established principle that 'national courts may, case by case, take account -on the basis of objective evidence -of abuse or fraudulent conduct on the part of the persons concerned in order, where appropriate, to deny them the benefit of the provisions of Community law on which they seek to rely': Case C16/05 The Queen (on the applications of Veli Tum and Mehmet Dari) v. Secretary of State for the Home Department [2007] ECR I-7415 at paragraph [64].

36. The concept of assessing subjective intention objectively has recently been examined by the Court of Appeal in the context of civil proceedings where the defendant was alleged to have acted dishonestly: Starglade Properties Ltd v. Roland Nash [2010] EWCA Civ 1314 (19 November 2010). The Court considered the law as stated in Royal Brunei Airlines v. Tan [1995] 2 AC 378 (PC), Twinsectra Ltd v Yardley [2002] 2 AC 164 (HL), Barlow Clowes International Ltd v. Eurotrust International Ltd [2006] 1 WLR 1476 (PC) and Abu Rahman v. Abacha [2007] 1 LL Rep 115 (CA). These cases were taken to have decided that there is a single standard of honesty, objectively determined by the court and applied to the specific conduct of a specific individual possessing the knowledge and qualities that he or she actually possessed: see paragraphs [25], [28], [29] and [32]. This appears to me to accord with treating intention as a subjective factor to be determined by reference to the objective circumstances of the particular case, as envisaged by the judgments of the Court of Justice relating to the assessment of objections to registration on the ground of bad faith.”

39) In terms of the date at which the matter falls to be considered, it is well established that the relevant date for consideration of a bad faith claim is the application filing date or at least a date no later than that (*Chocoladefabriken Lindt & Sprüngli AG v. Franz Hauswirth GmbH* [2009] ECR I-4893; *Hotpicks Trade Mark*, [2004] RPC 42 and *Nonogram Trade Mark*, [2001] RPC 21).

40) I found earlier in this decision that ART owned the goodwill in the mark Artrocker from 1999, and that the agreement reached between the parties did not affect this situation. ADUB was well aware of the activities of ART, indeed they were a part of the organisation. The agreement reached when the parties split gave ADUB rights to use the domain name and also give them rights over the content of that particular website. The agreement did not go beyond this point and it specifically did not make any mention of goodwill or trade mark registration or use. Therefore, to my mind the application was made in bad faith.

## CONCLUSION

41) Application 2520651 by ART will be accepted onto the Register, whilst ADUB’s application 2513985A will not be registered.

## COSTS

42) ART has been successful and they are therefore entitled to a contribution towards their costs. I take into account that there are two cases involved which have been consolidated.

Preparing a statement and considering the other side’s statement	£700
Preparing evidence and considering and commenting on the other side’s evidence	£1200
Expenses	£200

TOTAL	£2100
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43) I order ADUB Limited to pay Artrocker Magazine Limited the sum of £2100. This sum to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 21<sup>st</sup> day of October 2011**

**G W Salthouse  
For the Registrar  
the Comptroller-General**