

TRADE MARKS ACT 1994

**IN THE MATTER OF Trade Mark Registration
No: 2024168 in the name of Suleman Tahir**

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and

**An Application under No: 9536 for a declaration
of invalidity by the House of Ivana Inc.**

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BACKGROUND

IVANA, the mark at issue, was applied for on 16th June 1995 for the following goods:

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Class 3: ‘Cosmetics, soaps, perfumery, essential oils and hair lotions.’

Class 14: ‘Precious metals and jewellery.’

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Class 25: ‘Articles of clothing, footwear, and headgear, bibs, aprons.’

It stands on the register in the name of Suleman Tahir, 209 Outwood Road, Heald Green, Cheadle, Cheshire SK8 3JS.

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On 28th April 1997, House of Ivana Inc filed their application for a declaration of invalidity. They base their grounds on ss 3(1), (3), (4) and (6) of the Act. They also claim that, under s 5, the mark in suit is identical to a well know trade mark of their own and that use of it would be contrary to the law of passing off. Finally, they also ask for an exercise of the Registrar’s discretion in declaring the mark invalid.

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The registered proprietor (RP) denies the grounds.

Both sides filed evidence in these proceedings and the matter came to be heard on 26th July 2000, when the applicants were represented by Ms McFarland of Counsel, instructed by Taylor, Joynson and Garrett, their trade mark agents. The RP did not attend.

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APPLICANT’S EVIDENCE

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The applicants enclosed three Statutory Declarations: one by Ivana Trump, dated 17th November 1997, one by Paul Zarecky , who describes himself as an ‘enquiry agent’, dated 17th November 1997 and another by Ms Trump, dated 22nd July 1999.

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I intend to divide this evidence into that concerned with the assertion of bad faith by the applicants, and that relating to their own reputation under the mark. Taking the latter first, I regard this as somewhat limited. The applicants have provided little evidence of use in the UK before the relevant date. Indeed, in her first Declaration, Ms Trump states that the applicants ‘..first stated selling IVANA goods in the UK in 1996’, after 16th June 1995. A wide range of products are listed (paragraph 3), encompassing the items cited in the RP’s specification of

goods on page 1 *supra*, and a turnover is given from November 1996 onwards. As I say, none of this helps the applicants' assertion of a prior right in the mark.

5 Ms Trumps' second declaration expands on the use the applicants have made of the name. She states that her company first began selling IVANA clothing, cosmetics, fragrances and jewellery in the USA in 1991, in Canada in 1994, and then contradicts her first Declaration by saying that these goods were first sold in the UK in April 1994 '..and have been sold continuously in the UK since that date.' There is no documentary evidence to support this claim: appearances on the UK television channel QVC occurred in 1996 (paragraph 3) and 10 June 1997 (Exhibit IT2). Other material shows marketing in the USA and Canada (Exhibit IT4), well after 16th June 1995 and, anyhow, outside the UK. A website is referred to (Exhibit IT5). In Exhibit IT6 are a list of the applicants' trade marks in the US.

15 I do not believe that I can come to any other conclusion than that there is no proof of any reputation or goodwill in the IVANA name in the UK before the RP applied for his mark. I am ready to accept that Ms Trump may have been known as a 'personality' in the UK before then, but that is another matter. The evidence of use of the name, however, may be pertinent to the next issue: that of bad faith. It does, I believe, show that the applicants, albeit outside 20 the UK, had a very significant marketing business under the name IVANA before the relevant date, incorporating exactly the same products as those specified in the RP's registration.

Turning, now, to what I have called the 'bad faith evidence', in her first Declaration (paragraph 7) Ms Trump refers to a series of trade mark applications made by the RP (see 25 Exhibit IT1) which appear to incorporate characters from Disney Films, in particular 'Pocohontas' and 'The Hunchback of Notre Dame'. Mr Tahir has also sought registration for SANTA CLAUS and for VISACHI. The latter is phonetically equivalent to VERSACE. Most of these marks have been withdrawn or refused. I discuss this evidence further below.

30 The Declaration of Mr Zarecky introduces into evidence an investigation into the '.. use Mr Suleman Tahir was making..' of the IVANA mark. The result of this is enclosed in Exhibit PZ1. Mr Zarecky was unable to find any evidence of sales under the name; though one of Mr Tahir's enterprises does sell mens' clothing, there was no evidence of sales of cosmetics, jewellery or ladies fashions. In fact sales of the latter were denied by someone who identified themselves as Mr Tahir, on a visit to one of his businesses. The investigator did find stocks of 35 VISACHI T-shirts on the premises.

RP's EVIDENCE

40 Mr Suleman Tahir, the RP, encloses two affidavits: one dated 20th of July 1998 and the other 19th August 1998. Both claim evidence of use of the mark IVANA, which I now summarise. Mr Tahir explains that he is the director of the following three companies: Scents & Sensuality (a fragrance company), Clockwork (a clothing company) and EMT Incorporated (a Jewellery company). The companies employ some fifty persons and have an annual turn over of £2.5M. He says: 'Since 1994 I have extensively used the Trade Mark IVANA on merchandise 45 produced and distributed by the above companies'. His evidence is:

1. In Exhibit ST 2, seven invoices, six of which refer to IVANA products ('legs', T-shirts, jogging bottoms, 'zip tops' and 'zip fronts'). The dates on the IVANA invoices are 11th, 12th and 31st October and 9th November 1994, and 11th November and 1st and 20th December 1995. The latter three are after the relevant date. The total value of the goods sold under the name is over £57K. I note that the order numbers on the first three invoices in this Exhibit (9681, 9581 and 9508) run in reverse sequence to the invoice numbers (00079, 00080 and 00082A) and invoice dates (11.10.94, 12.10.94 and 31.10.94).
2. In Exhibit ST 3 are working sketches of designs for sweaters or sweat shirts, incorporating the IVANA name, and jogging pants, which do not.
3. Exhibit ST 4 contains designs of IVANA logos.
4. Similarly, Exhibit ST 5 displays photocopies of IVANA labels and tags.
5. In Exhibit ST 1 (to the second Declaration) are many photocopies of jewellery.

There is no evidence of the sale of cosmetic products and the evidence of jewellery sales shows no use of the IVANA mark. Several are labelled 'Galaxy Collection'.

Mr Tahir also criticises the investigation by Mr Zarecky, in that it contains a number of errors of fact and inaccuracies. For example, the person interviewed during the visit by Mr Zarecky was not the RP, and some of the photographs taken were in error.

THE DECISION

The request for the declaration of invalidity is made under ss 47(1) and 47(2)(b) of the Act. These state:

'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).

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

(a) .. ,

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

Dealing with the ground under s 47(2)(b), this is based on s 5(4)(a) of the Act which states:

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...'

Following from *Wild Child* [1998] RPC 455, at page 460ff, to succeed in a passing off action, it is necessary for the applicants to establish, at the relevant date (16th June 1995) that: (i) they had acquired goodwill under their mark; (ii) that use of the mark would amount to a misrepresentation likely to lead to confusion as to the origin of their goods; and (iii) that such confusion is likely to cause real damage to their goodwill. I have found (page 2, line 14) that the applicants have not demonstrated any evidence of the necessary goodwill to even embark on proving passing off under these criteria. This first ground must fail.

Only absolute grounds remain. Of these, at the Hearing, Ms McFarland did not press that under s 3(1), said that the grounds under ss 3(3) and 3(4) stood or fell together, and concentrated her attack on the RP's registration on s 3(6). I agree that this represents the applicants' best case, and I wish to consider it now.

S 3(6) states:

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

This clause has its origins in Article 3(2)(d) of the Directive the Act implements (Council Directive No. 89/104/EEC of 21st December 1988):

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

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

The Directive gives no more clue as to the meaning of 'bad faith' than the Act. Though subsequent case law has avoided explicit definition, certain recent decisions do provide some indication of its character.

In *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] RPC 367, Lindsay J stated at page 379:

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

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

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

15 Thus dishonest behaviour is characterised by intention and/or recklessness. Such conduct
would clearly fall into the category of bad faith. It is also clear, however, from the *Gromax*
judgement, that this set of behaviours may also be extended to business dealings which,
though not actually dishonest, still fall short of the standards of acceptable commercial
behaviour. This includes conduct that is not fraudulent or illegal, but may be regarded as
unacceptable or less than moral in a particular business context and on a particular set of facts.
Commenting on the passage from *Gromax* reproduced above, in *Demon Ale Trade Mark*
[2000] RPC 355, the Appointed Person stated:

25 'These observations recognise that the expression "bad faith" has moral overtones which
appear to make it possible for an application for registration to be rendered invalid under
section 3(6) by behaviour which otherwise involves no breach of any duty, obligation,
prohibition or requirement that is legally binding upon the applicant.'

30 The test for bad faith is (as it is for dishonesty) an objective one. The Hearing's Officer in
Application N^o 9914 for the invalidation of the trade mark AUTONET (0-257-00), dated 26th
July 2000:

35 'Mr Edenborough accepted that the test could include an objective element, but in his
submission, it is primarily a subjective test. Clearly, if the applicant can be shown to have
known he was acting dishonestly a finding of bad faith is likely to follow. But there will be
other cases where, on the basis of his own state of knowledge, values and standards, an
applicant believes he is acting in good faith when most reasonable persons would disagree.
It cannot be right for the matter to depend upon the morals and values of the applicant.
40 The test must therefore include an objective assessment of the actions of the applicant in the
light of the facts he or she was aware of at the time.'

And also in *Demon Ale* the Appointed Person stated:

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

Armed with this background, I want now to consider the case before me.

I think I can infer from the evidence that the RP took the mark IVANA from the name IVANA TRUMP. Apart from the observation that Mr Tahir, in his Declarations, provides no explanation as to his derivation of the former, Exhibit IT1 to Ms Trump's first Declaration shows that he applied to register both as trade marks on the same day. The IVANA TRUMP application (N^o 2024175) appears to have lapsed through non payment of fees.

I noted in the evidence summary (page 2, line 22ff) that Mr Tahir has, in the past, applied to register marks that were in the ownership of third parties. Some 12 applications incorporate Walt Disney film characters. Many of these applications have now been withdrawn, but it was brought to my attention at the Hearing that application N^o 2016252 for the mark:

PERCY



was the subject of an opposition by the Walt Disney Company and refused under s 3(6) of the Act and s 5(4)(b) (*Application N^o 2016252 and Opposition N^o 43898, 19th March 1997*). The opponents there submitted evidence of copyright in the above image, and the Hearings Officer decided that the grounds, as pleaded, were made out. He did not expand on the bad faith point. The opponents also point out in their evidence that Mr Tahir has also sought registration for SANTA CLAUS and for VISACHI. The latter is phonetically equivalent to VERSACE, and was refused following opposition by them.

Ms McFarland said that this material (which I will call Exhibit IT1 material) was relevant to this case as it was 'similar fact evidence', that is, evidence of facts or transactions similar to the fact or transaction directly in issue. I was referred to *Perrin v Drennan and Another* [1991] FSR 81, an infringement of copyright action concerning the design of fishing rods, and therefore, as Ms McFarland, pointed out, was based '..on entirely different facts..' to the instant case. However, she added,

'..it was similar fact evidence relating to prior copy in so far as the defendants had asserted that their fishing rod, the product in suit, had been independently designed. The court held that in so far as similar allegations and similar evidence had been available to the plaintiff, it ought to be pleaded and introduced in so far as it allowed the court to make a reasoned judgment on that issue.'

Ms McFarland's contention was that the Exhibit IT 1 material would, in an analogous way, allow me to come to a better informed decision here. In her view:

'It is relevant in determining the matters in issue on bad faith.We say that suggests Mr Tahir has indulged in the systematic adoption of other people's trade marks, starting with

Visachi through to Pocahontas etc. We say that is relevant in assessing his position as a man of commerce.’

5 It was also pointed out to me that this category of evidence can apply to a civil jurisdiction relating to a purely civil claim - this was clear both from both *Perrin v Drennan* and the following statement by Lord Denning MR in *Mood Music Publishing Co Ltd v Wolfe Ltd* [1976] 2 WLR 451, 456:

10 ‘The admissibility of evidence as to “similar facts” has been much considered in the criminal law. . . . The criminal courts have been very careful not to admit such evidence unless its probative value is so strong that it should be received in the interests of justice: and its admission will not operate unfairly to the accused. In civil cases the courts have followed a similar line but have not been so chary of admitting it. In civil cases the courts will admit evidence of similar facts if it is logically probative, that is, if it is logically relevant in
15 determining the matter which is in issue: provided that it is not oppressive or unfair to the other side: and also that the other side has fair notice of it and is able to deal with it.’

20 I think this evidence is logically probative. It is also clear that Mr Tahir has had fair notice of it, as the material was in submitted in evidence late in 1997. He, in fact, refers to the Exhibit IT1 material on page 3 of his first Declaration, saying it has ‘no connection with this case.’ I disagree. It seems to me that Mr Tahir has made a habit of attempting to appropriate (intellectual) property that belonged to others, and the *PERCY Trade Mark* decision - and the *VERSACE* application - cited above, are examples of this.

25 Having said that, however, to the extent these instances relate to infringement of trade mark and copyright law, I do not believe they are relevant to the current matter. I have already come to the conclusion that I have seen no evidence the applicants possessed at the relevant date any such right in the name IVANA in the UK. Nevertheless, I believe that the Exhibit IT1 material is similar fact evidence to the extent that Mr Tahir has a history of acting in a
30 manner that could, at least, be described as reckless to the possibility of infringement of the rights of others. This is a form of ‘opportunism’ very pertinent to the s 3(6) pleading. In short, it is clear, in my view, that the RP could not have any *bona fide* basis for his application to register the mark IVANA TRUMP, which is an extremely unusual name and well known as the name of the founder of the applicants’ company. It is impossible to avoid the *prima facie*
35 conclusion that, whatever purpose the RP had in mind when he applied to register IVANA TRUMP, he had the same purpose in mind when he applied for IVANA, which he must have thought was equally suitable for his purposes. Taken together with the other similar fact evidence, the applicants have done enough to make out a *prima facie* case of bad faith.

40 At the Hearing, Ms McFarland also sought to prove a lack of intention to use the mark on behalf of the RP, as bad faith has been made out where such has been shown (the *Demon Ale* case is an example). It was pointed out that the RP had demonstrated no use of the mark for the items in Classes 3 and 14. I agree with Ms McFarland that the evidence for use of the mark on jewellery in ST 1 of Mr Tahir’s second Declaration is irrelevant (see page 3, line 14
45 above), and there is no evidence of use on cosmetic products.

Central to a bad faith finding in this case, either based on a lack of intention to use or a submission of ‘sharp practice’, is the conclusions one draws from the evidence attached to Mr Tahir’s first Declaration (Exhibits ST 2, 3, 4 and 5). It seems to me that *bona fide* evidence of

use of IVANA as a trade mark prior to the date of application, would be enough to answer the bad faith point. However, I think I must steer clear of this finding, as I have grave doubts about the capacity of the evidence presented to propel me to it.

5 First, the labels and ‘working sketches’ in Exhibits ST 3 to 5 are not specifically claimed to be representations of the use made of the mark prior to the application date. There is no material evidence that any of these were used at all - in particular, no connection is made between them and the products in the invoices. Further, there are no ‘leggings’ or ‘T-shirts’ depicted. Only ‘sweats’ (which I take to be sweat-shirts) and one example of ‘jogging pants’. In any event, it is noticeable that some of the use envisaged on the front of the sweatshirt designs do not appear to be of a traditional trade mark character. Next, the four invoices dated October and November 1994 (Exhibit ST 2) are all addressed to the same company. It is not clear, whether the IVANA T-shirts and the IVANA legs mentioned in the invoices is a reference to the trade marks or the subject matter of the goods (as, for example, in a JAMES DEAN T-shirt).

20 Third, Mr Tahir is himself uses vague language in his affidavit. His claims to have ‘extensively used the trade mark ‘IVANA’ on merchandised products’ since ‘1994’ is not clearly supported by the evidence. For fragrances and jewellery there is no evidence at all. There is no direct evidence in relation to the use of the mark on clothing, at least prior to the relevant date. It seems to me that the RP has not demonstrated that his purpose in applying to register the mark in 1995 was to further an existing, legitimate trade in goods under the trade mark IVANA.

25 I would, however, hesitate to conclude on this evidence that the RP had no intention to use the name. To the extent that this is an element in positing bad faith, I do not think it succeeds. However, as my discussion above shows, bad faith can amount to more than simply a lack of an intention to use a mark. Indeed, use of the mark at issue may be essential to the calculation of the person acting in bad faith where, for example, they wish to parasitise on the goodwill that may or might reside in a mark in a particular jurisdiction.

30 Relevant to this is the following passage from the publication ‘Notes on the Trade Marks Act 1994’ which was prepared for the use by Parliament during passage of the Bill. In relation to Section 3(6) the Notes read as follows:

35 ‘Subsection (6) declares that a trade mark is not registrable if the application for registration of the trade mark was made in bad faith. The provision does not attempt to indicate what is meant by “bad faith”, thereby leaving it to the registrar or the courts to decide in a particular case what amounts to bad faith. Examples of circumstances where bad faith might be found are:

- (i) where the applicant had no *bona fide* intention to use the mark, or intended to use it, but not for the whole range of goods and services listed in the application;
- 45 (ii) where the applicant was aware that someone else intends to use and/or register the mark, particularly where the applicant has a relationship, for example as employee or agent, with that other person, or where the applicant has copied a mark being used abroad with the intention of pre-empting the proprietor who intends to trade in the United Kingdom;

(iii) where the mark incorporates the name or image of a well-known person without his agreement. (This should not be taken as meaning that this provision is legislating for the protection of a personal name or reputation - these remain unprotected under English law, but the nexus between unregistrability and the name of a well-known person is that of the bad faith in which the application is made).’

The second and third points are very obviously germane to this case. Though Ms McFarland did refer to Ms Trump as a ‘style icon’ I have seen no evidence of this. I take judicial note of the fact that Ms Trump’s notoriety proceeded her current business activities - in particular her celebrated marriage to the financier Donald Trump - but I would need evidence to make any further judgement on the nature and extent of her celebrity and its impact on the bad faith ground in this case.

This is not so with the latter part of point (ii), however. It has to be stated that the *Notes* themselves do not have the force of law - and that the interpretation of an Act of Parliament is ultimately a matter for the Courts - but it is also the case that the *Notes* were prepared for use in Parliament while the Trade Marks Bill was before it, was thus in the contemplation of Parliament when the Bill was passed, and were intended to reflect the purpose and effect of the provisions of the Act.

In the *Yoo Whoo Trade Mark* invalidation case (Application N^o: 8812 and trade mark N^o: 1430368) the Hearings Officer found bad faith proved. Though this was related to non-use, it concerned a pattern of commercial behaviour:

‘The conclusion I am invited to draw is that [the RP] has spotted gaps in the applicants international trade mark portfolio and sought to obtain registrations in some of those countries in his own name, not with any intention to use the mark, but rather to prejudice the applicants or possibly profit by subsequently assigning them the applications/registrations for a consideration. It would be dangerous to draw firm conclusions as to motive merely from a pattern of filings but [the RP’s] behaviour certainly raises serious questions about how he came to apply for the mark YOOHOO in the particular combination of countries (including the UK) and in respect of goods that impinge on the applicants’ area of activity.’

The Hearing Officer also stated:

‘In coming to an overall view of the bad faith issue I do not find any individual piece of evidence to be wholly persuasive in its own right and it is possible to identify shortcomings in the material before me. However, taken as a whole, the applicants have established a strong *prima facie* case in support of their claim ... They have also succeeded in raising important questions about [the RPs] behaviour and intentions which would require convincing answers if I were to find other than in the applicants’ favour. In the event [the RP] has taken no part in these proceedings and I am left to draw my own conclusions from this. As a result I find that the applicants succeed in their attack based upon Section 3(6).’

At no stage does Mr Tahir attempt to explain the adoption of the mark as being in ‘good faith’. He fails entirely to explain his attempt to register the mark IVANA TRUMP in concert with the mark in suit and his history of seeking to register marks that were not his. It seems to

me that there is a pattern of comportment here indicative of conduct which, though not actually dishonest, can be regarded as below that which reasonable men would consider to be acceptable commercial behaviour (see *Gromax* and my discussion of the case law on pages 4, 5 and 6).

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On these facts I find that the RP acted in bad faith in applying for the mark IVANA for the goods specified. Under s 47(1) I consider registration of trade mark N^o. 2024168 invalid on the ground that it was registered in breach of section 3(6). The applicants have been successful in these proceedings. Accordingly I direct that registration N^o. 2024168 be declared invalid and removed from the Register and, in accordance with Section 47(6), shall be deemed never to have been made.

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The applicants are entitled to an award of costs. I order Mr Tahir to pay them the sum of £1000. This sum is to be paid within seven days 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.

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Dated this 23rd Day of October 2000.

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**Dr W J Trott
Principal Hearing Officer
For the Registrar, the Comptroller General.**